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## Israel Continues to Pound Guerrilla Bases in Lebanon

By David B. Ottaway  
Washington Post Service

BEIRUT — Israel launched ground, air and sea attacks on southern Lebanon Monday, continuing the 11th consecutive day its assault on Palestinian strongholds there in defiance of a U.S. effort to arrange a cease-fire in the worst surge of fighting here in three years.

The first Israeli attack of the day came shortly after midnight when helicopter-borne commandos stormed a guerrilla stronghold on the Zaharani River, about 27 miles south of Beirut, under the cover of fire from Israeli gunboats.

The Palestinian news agency Wafa said the assault on the stronghold was repelled, as was an Israeli attempt to land commandos by sea. The agency said that one Israeli gunboat was set on fire. But the Israeli military command denied there was any such effort to put commandos ashore.

The Israelis did acknowledge the death of one officer, a major, and the wounding of seven soldiers in the half-hour attack. This was regarded here as a fairly high casualty toll for a small Israeli operation, suggesting as the Palestinians said that it had run into stiff resistance.

### Commando Action

Local sources in Sidon, just to the north of the Zaharani River, said the Israeli commandos had blown up ammunition and weapons depots at Fanjar and Mseleh. Two and a half miles inland they also attacked three other strongholds belonging to Yasser Arafat's el-Fatah organization, the largest within the PLO umbrella, in the same general area, they said.

There was no Israeli confirmation of these other attacks, however.

The same sources said that one guerrilla was killed and three wounded from the Arab Lebanese army while a dozen others from Fatah were also injured in the fighting.

It was the first Israeli ground attack by commandos since May 28, and the general assumption here was that other larger ones would soon follow as Israel sought to car-

ry out its announced promise to escalate its war on the Palestinian guerrillas based in southern Lebanon.

Monday's strikes came after heavy Israeli air attacks Sunday on Palestinian targets in southern Lebanon and a visit by special U.S. envoy Philip C. Habib to Prime Minister Menachem Begin.

Mr. Habib, noting Israel's bombing of Beirut Friday, which Lebanon said killed 300 persons and wounded 800, urged a halt to the air raids. Mr. Begin said the raids were needed to stop Palestinian rocket attacks from southern Lebanon.

One of the Israelis' prime targets is believed to be the heavily fortified 12th-century Beaufort Castle, which sits atop a bluff overlooking the Litani River in south central Lebanon and serves as a main launching point for the guerrilla

forces presently hitting villages all across northern Israel.

Israeli planes carried out bombing raids against the majestic castle Monday and hit guerrilla strongpoints around nearby Nabatieh. They also returned to bomb guerrilla bases again in the Zaharani estuary, where a refinery, providing one-third of Lebanon's gasoline, is also located and now out of operation.

### Refinery Blasted

Reporters visiting the area Monday where surprised at the extent of the damage. Israeli bombs not only had destroyed a key bridge across the Zaharani but also a number of buildings and installations around the 30-year-old refinery. Nearly a dozen oil-delivery trucks also had been gutted.

The entire country from Beirut south is now in the grips of an

acute gasoline shortage, and there are long lines at every station that is still open.

Despite the Israeli destruction of several key bridges and attempts to cut the road by bombings, the main coastal highway remains open all the way from the capital to Tyre. The Lebanese and Palestinians have quickly built by-passes and have repaired the roadway to enable cars and trucks to continue using it.

There was little sign of Palestinian guerrillas anywhere along the highway Monday. Reporters encountered not a single roadblock until they approached the Litani River just north of Tyre. There, guerrillas were halting all traffic because Israeli artillery was shelling a badly damaged bridge across the Litani as well as a makeshift bypass.



Ottawa conference gathered before Monday meetings. From left, Japanese Premier Zenko Suzuki, West German Chancellor Helmut Schmidt, Canadian Prime Minister Pierre Trudeau, President Reagan and French President Francois Mitterrand.

## U.S. Assures Summit of Decrease in Rates

By Lou Cannon  
Washington Post Service

OTTAWA — Under a direct challenge from Western European nations on continuing high levels of U.S. interest rates, President Reagan and his top aides gave a "reasonable assurance" at the economic summit meeting — which officially opened here Monday — that the rates will drop before the end of this year.

But increased Middle East tension resulting from new Israeli-Palestinian attacks and the danger of a new war in the region occupied the summit leaders. Mr. Reagan conveyed his "strong feelings," urging a prompt cease-fire to Israeli Prime Minister Menachem Begin, according to a top White House aide Monday.

Calling a cease-fire "an overriding objective," U.S. national security adviser Richard V. Allen expressed hope that U.S. troops and ships could be arranged to arrange a cease-fire. While Mr. Allen spoke in Ottawa, Israeli commandos and planes attacked Palestinian positions in southern Lebanon.

leader Yasser Arafat said an "Israeli-Palestinian war" was under way.

Mr. Reagan neared a decision on whether to resume U.S. shipments of F-16 fighter-bombers to Israel amid signs the new fighting could delay their delivery. Mr. Allen insisted, however, that the president's decision would not be linked to the new Israeli-Palestinian confrontations.

[United Press International reported Monday from Ottawa that White House counselor Edwin Meese 3d said: "It is more likely that the suspension will be continued and applied to another set of planes," apparently due to future delivery.

The U.S. statement on interest rates, made by Treasury Secretary Donald T. Regan in a television interview Monday morning, was the first indication by an administration official of any time frame in which the Reagan administration recovery plan would have an impact on U.S. interest rates.

"Further, the president told the Ottawa conference that he hoped interest rates would drop soon, 'perhaps before the end of this year,'

according to presidential counselor Edwin Meese 3d. The president said he is "determined to go through" with his anti-inflation policies in the hope that interest rates would drop, Mr. Meese said.

The comments were viewed with disapproval by some White House aides because the administration had been trying to avoid any kind of timetable on progress in its economic program. The revelations also reflected the kind of pressure the president and his advisers have been under from the United States' major trading partners.

### Blaming Carter

French President Francois Mitterrand warned the summit Monday that the Reagan economic policy was pushing Europe to a "flash point" that could explode in widespread social unrest. He said Europe's battered economies could not weather the damaging effect of high U.S. interest rates much longer.

West German Chancellor Helmut Schmidt had also said Sunday that the continued high U.S. rates were causing "suffering" in other countries of the world.

Mr. Meese said after Monday morning's session that the U.S. policy was largely supported by British Prime Minister Margaret Thatcher, Italian Premier Giovanni Spadolini and European Commission President Gaston Thorn.

Mr. Reagan, anticipating a chorus of European complaints about interest rates, tried to mollify the concern by blaming the high rates on his predecessor, Jimmy Carter, and saying it was not deliberate U.S. policy to continue them.

At the same time, U.S. Secretary of State Alexander M. Haig Jr. took a tough line on Western trade with the Soviet Union, an issue that promises to be one of the most divisive items of discussion at the summit.

### 'In Context of Events'

But overshadowing these issues was the perceived danger of a wider Middle East war stemming from the attacks by Israelis and Palestinians in recent days. The U.S. administration is grappling with the decision on whether to permit resumption of shipments of F-16 jet fighters to Israel. Six F-16s

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## Kania Calls on Poles To Work With Party

From Agency Dispatches

WARSAW — Communist Party leader Stanislaw Kania appealed Monday to Poles to end tensions and work with the authorities to overcome the nation's crisis.

"We must put an end to all activity forcing the party and government into confrontation," Mr. Kania said at the close of a seven-day emergency party congress. "To the nation we declare the need for a great alliance of common sense," he added.

Mr. Kania's speech marked the official end of the congress, which radically changed Poland's leadership and left a team of largely unknown political figures with the task of overcoming its economic problems and labor unrest.

### Reforms Confirmed

The party chief said the party meeting had confirmed the present course of seeking peaceful solutions to conflicts and continuing the process of reform.

But he said the policy could only work if the authorities were given the chance to implement their plans. A continuation of strikes and industrial tension would ultimately threaten the future of the nation, Mr. Kania added.

Shortly before he spoke, a majority of congress delegates approved a strongly worded appeal to the nation. It said that time was running out for the solution of Poland's problems and urged a new era of cooperation.

"The homeland is in need. Our country is suffering a deep economic and political crisis. The secure existence of the nation and the future of the state are threatened. Let us avert the threat hanging over Poland with our joint efforts," the appeal said.

The appeal said that Poles should not blame Communism for the present state of the country. It blamed previous leaders of the party who it said had betrayed its ideals, and said that the party congress had got rid of them and now wanted to see them severely punished under the law.

Edward Giersek, who was ousted as party leader last year after 10 years in power, was stripped of his membership by the congress Wednesday along with six of his associates.

The congress also approved a draft of a new set of party statutes giving the rank-and-file extensive control and influence over the activities of the leadership, a reform unprecedented in Eastern Europe.

present periodical reports on its work.

The new rules would also limit top party officials to a maximum of two terms of office and underline the freedom of criticism and discussion within the party.

One of the more liberal statute proposals thrown out by the congress was that the party should recognize "ideological pluralism" and allow non-Communists into its ranks. The form that was finally approved states that only those who accept its program are admitted.

Mr. Kania said the new rules meant that ordinary members of the party would always have direct influence on its policies and be able to "safeguard against the leaders cutting themselves off from the masses."

He urged the delegates to immediately begin trying to improve the economic and political situation in their own districts, without waiting for directions from Warsaw.

"Otherwise history will call us the people who talked Poland to death," he said.

### End to Attacks

Earlier Monday, a party official warned that attacks from hard-line critics had to stop.

"Enough of all these forums, regional and otherwise," said Hieronim Kubiak, a new Central Committee secretary. "There is one party. It will have after this congress one program and one leadership," he said to heavy applause. "We will oppose everybody who forgets about this." Some of the most severe criticism of the party's reforms has come from a pro-Moscow group known as the Katowice forum.

Speaking Sunday, Premier Wojciech Jaruzelski promised firm action if labor unrest continues, but the independent Solidarity labor federation proceeded with plans for dock and airline strikes this week.

Gen. Jaruzelski told the congress, "There is no greater danger than anarchy... We cannot permit this."

Despite the premier's warning, a spokesman for the 45,000 dockworkers in the Baltic ports said their decision to strike Thursday for higher pay and improved working conditions "remains unchanged." But he added: "There's Monday and Tuesday, and if the government is willing to talk, we are ready."

Employees of LOT, the national airline, have called a strike Friday because the government refuses to accept their nominee for director of the airline.



PAPAL SHOOTING TRIAL OPENS — Surrounded by police, Melmet Ari Agca entered a courtroom in Rome where he went on trial for the shooting of Pope John Paul II. Mr. Agca challenged Italy's right to try him for a Vatican City offense, but he admitted shooting the pope. Page 2.

## White House Weighs Military Spending Cut

By Robert G. Kaiser  
Washington Post Service

WASHINGTON — The White House has quietly negotiated a 5 percent cut in spending for each of the military services next year — cuts that would be recommended only if budgetary conditions warrant.

This move, reported by a high

official, reflects growing concern in the Office of Management and Budget that the economy will not reach the 7 percent growth rate predicted for next year, which would mean greater pressure on the budget. This concern has led to a closer look at defense, including a series of briefings arranged for Director David A. Stockman of the Office of Management and Budget, who wants to learn more about defense spending.

Mr. Stockman is pondering proposals for closing as many as 200 military bases as a quick way to save money. The 5 percent military cuts negotiated by the Office of Management and Budget would, another, adding up to roughly

billions next year if they were to be sought and then approved by Congress.

The Reagan administration has said nothing in public about restraining defense spending; its rhetoric all leans in the opposite direction. But behind the public facade of unanimous support for a huge defense buildup, the administration is increasingly divided.

"Three or four months ago," an Reagan administration official said, "there was a feeling around here that we could afford the luxury of not scrutinizing defense as closely as we looked at other kinds of spending. That feeling is no longer operative."

Moreover, it is understood at the White House, according to a senior official, that if the administration's economic projections for 1983 and 1984 prove to be optimistic, defense spending will have to be cut to help meet the politically important target of a balanced budget in 1984.

If this is understood at the White House, however, it is not understood in the Pentagon or on Capitol Hill, where plans for a steady expansion of defense spending at a rate of at least 7 percent a year after inflation are now taken for granted. In fact, the Pen-

## Nicaragua Announces Seizure Of Businesses, Unused Land

United Press International

MANAGUA — Nicaraguan junta leader Daniel Ortega has announced a major confiscation of land and businesses in a speech in which he also attacked the Reagan administration's "aggressive, dangerous" policy toward the leftist-led Central American nation.

Mr. Ortega spoke Sunday to an estimated half million people in Managua's Plaza 19 de Julio to celebrate the second anniversary of the ouster of the Anastasio Somoza family dynasty.

A former guerrilla commander who now leads the Junta of National Reconstruction, Mr. Ortega said Nicaragua is "seriously worried" about the United States, "a country that has invaded, has bloodied our territory."

He accused the Reagan administration of adopting "an aggressive, dangerous policy against our revolution."

Mr. Ortega cut off multimillion-dollar loan and grain sale packages to Nicaragua earlier this year, charging the Sandinistas were shipping Soviet-bloc arms to leftist guerrillas fighting the U.S.-backed junta in nearby El Salvador.

"In total, the United States has

cut off \$81.1 million in aid to a country to which it owes much," Mr. Ortega said.

To chants of "popular power, popular power," Mr. Ortega announced the confiscation of 14 major Nicaraguan businesses, including a milk-processing plant, a soap factory and two large business complexes.

Another measure confiscates all abandoned or underutilized plots of land of 862 acres or more in nine Nicaraguan provinces and plots of more than 1,624 acres in four other provinces.

The decree also said the land or property of any farmer or businessman who leaves the country for more than six months "will be considered property of the people." He said the measure was retroactive, meaning that the property of supporters of the Somoza government who fled Nicaragua following the 1979 revolution would be seized.

Mr. Ortega said that the land confiscation measures would be presented for final approval to the State Council, where passage is certain, along with another law to seize the property of anyone con-

fronted by a jury of counterrevolutionary activities.

Sugar distribution and sale and the exportation of processed coffee, rum, cotton seed oil and wheat also have been nationalized to combat the flight of Nicaraguan capital out of the country, Mr. Ortega said.

Planning Ministry officials said the government already had nationalized 107 businesses and 2,073 acres of land — about 15 percent of Nicaragua's choicest farmland, once owned by Gen. Somoza, his relatives and friends.

"Our internal situation is more complex and more difficult" because of economic and political actions by "opponents of the revolution," said Mr. Ortega.

Festivities marking the July 19, 1979, fall of Gen. Anastasio Somoza, the last leader of a 45-year family dynasty, began with street demonstrations at dawn by tens of thousands of people trucked in by the government.

The day also commemorated the 20th anniversary of the founding of the Sandinista National Liberation Front, a guerrilla organization forged by militants who opposed the Somoza regime.

At the same time, the administration's defense program calls for increases in outlays for defense of about \$25 billion in 1982, \$35 billion in 1983 and \$50 billion in 1984.

Sources close to Mr. Stockman say he has long been aware of the budgetary dangers of the big defense program, which the new administration adopted last winter as a matter of political urgency without much consideration of its long-term implications.

Mr. Stockman now has plans for two possible approaches to the one kind of military spending cut that can be made relatively easily: base closings. One plan calls for realignment resulting in the closing of 50 to 60 facilities for a savings of several hundred million dollars each year.

A bolder option that Mr. Stockman could propose would be to spend about \$5 billion to build centralized military facilities, and then close 160 to 200 obsolete bases around the country. Such closings would save \$5 billion or more a year, according to U.S. officials.

There was little sign of Palestinian guerrillas anywhere along the highway Monday. Reporters encountered not a single roadblock until they approached the Litani River just north of Tyre. There, guerrillas were halting all traffic because Israeli artillery was shelling a badly damaged bridge across the Litani as well as a makeshift bypass.

Libya, which has provided the guerrillas and Lebanese fighters with considerable quantities of sophisticated heavy weapons in recent months, also announced that it would replace any weapons that were destroyed in the raids.

Compensation Offered

The official Libyan news agency reported from Tripoli that Libya had offered to compensate the Palestinians and their Lebanese leftists allies for all losses suffered as a result of the Israeli raids. Qatar and the United Arab Emirates promised medical aid, and Bahrain donated \$100,000 to the Palestinians, the PLO reported.

Newspaper editorials and government officials throughout the Arab world denounced the Israeli attacks. Most linked the increase in military action to the United States, and a number of them, including Libyan leader Col. Muammar Qaddafi, called for cutting back on oil exports to the United States.

Ali Shaer, the Saudi Arabian ambassador, met with Lebanese President Elias Sarkis and said afterward that his country was urging the United States to pressure Israel to stop the raids.

Saudi Arabia is doing all it can to put pressure on the United States to restrain Israel and to stop the air raids on the south of Lebanon, said Mr. Shaer, who has sought to ease the tension in Lebanon between Syrian troops and rightist Christian militiamen.

U.S. Blamed

Mr. Arafat, chairman of the PLO, put much of the blame on the United States, saying the attacks "had an American green light."

Citing a statement by President Reagan's national security adviser, Richard V. Allen, that Israel had a right to "hot pursuit" of Palestinian guerrillas, Mr. Arafat made several references to Israeli Prime Minister Menachem Begin and "his master in the White House."

Mr. Arafat said he had sent two memoranda on Friday's attack to UN Secretary-General Kurt Waldheim, bearing the message that "patience has its limits."

Mr. Arafat referred to the Israeli prime minister as a "terrorist," who, he said, still was carried on Interpol records as being wanted by the British police.

"We are not against anybody," Mr. Arafat said. "We want to live in peace in our independent state."

Mr. Arafat made his brief, animated statement to reporters after meeting with Gen. William Callaghan, who commands the UN peacekeeping forces in the buffer zone set up after the 1978 Israeli invasion of southern Lebanon.

Arab Meeting Reported

TUNIS (Reuters) — Arab defense and foreign ministers were preparing to meet here Thursday to discuss the Israeli raids on Lebanon, Arab League sources said Monday.

The ministers reportedly were responding to Mr. Arafat's telegram of last Friday in which he told Arab leaders: "I need your swords and not your blessings."

INSIDE

Indexing Taxes

The U.S. Senate has taken a step into the unknown by voting to index, or adjust for inflation, personal income taxes beginning in 1985. Past efforts have not turned out as hoped. Page 3.

Hollywood 'War'

In California, a special task force of more than 50 policemen is trying to keep order on the historic Hollywood Strip, which has become something of a war zone in the last six months. Page 5.

TOMORROW

The Gulf Six

Six nations around the Gulf have now committed themselves to formal cooperation. A supplement on the six — Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates — will appear in Wednesday's IHT.

# Agca Admits Shooting of Pope, Objects to Trial by Italian Court

ROME — Mehmet Ali Agca, a self-styled international terrorist, admitted Monday he shot Pope John Paul II, but challenged the right of an Italian court to try him. He also claimed without offering further evidence that he had been tortured by his Italian jailers.

Shouting in Turkish on the opening day of his trial, the 23-year-old defendant said, "On May 13, I was inside the Vatican when I shot the pope... I don't agree to be tried by an Italian court."

"With the first shot I wanted to hit the pope," he said. "The second shot went off because of panic. I was sure I would be lynched by the crowd and I even thought of killing myself." His shooting spree also wounded two American women in St. Peter's Square.

He said he would refuse to answer any question put to him by an Italian court. "For me, the trial is over," he said, bringing laughter

from about 100 reporters and cameramen jammed into the courtroom at the Palace of Justice. As provided by the 1929 Lateran pacts between Italy and the Holy See, serious crimes committed in the Vatican are tried by Italian courts.

**'Inhuman Conditions'**

Mr. Agca shouted his claims of torture from a bulletproof glass booth inside the courtroom. "I have lived for 60 days in inhuman conditions," he read in a statement. "I don't know if I am in a psychiatric jail or a jail of a democratic country."

Neither Mr. Agca's five-minute statement nor transcripts of the interrogations shed any new light on his motives for the attack or gave hard evidence of an international conspiracy. "I am an international terrorist," he said in one of the transcripts. "I've been helped by Bulgarian, Iranian and English ter-

rorists, but I've never been used by anyone."

Mr. Agca appeared pale but in good health. He stood impassively as scores of photographers snapped photos and yelled out his name, scuffling with courtroom guards who tried to push them back. There are 200 journalists covering the trial.

Mr. Agca's fate is in the hands of a jury of two women and four men, but both the prosecution and defense have predicted he will be sentenced to life imprisonment. His court-appointed lawyer, Pietro D'Ovidio, said he does not plan to plead insanity because there is no evidence to support such a plea. State prosecutor Nicolò Amato said he would call about 30 witnesses, most of whom were in the square during the shooting.

**Pope Will Not Appear**

The ailing pope has neither been asked to appear as a witness nor to give a deposition. He is hospitalized with a virus that may have been contracted from the blood transfusions given him after the shooting. Ann Odre, 58, of Buffalo, N.Y., who was wounded in the attack, refused to return to Italy to testify. The other injured woman, Rose Hall, 21, would testify. She is now living in West Germany.

The trial is expected to last less than a week. If it is not finished by Aug. 1, it will be recessed until September while the court takes a monthlong summer break.

Described by police as a cool, self-disciplined gunman who had ties to rightist groups in Turkey, Mr. Agca insists he acted alone in the May 13 attack. Prosecutors say they have no evidence of a conspiracy, but police are convinced someone helped him by financing travels around Europe and North Africa after he escaped from a Turkish jail in 1979.

He has given conflicting stories about the motive and money behind the attack. "Ideology doesn't interest me," the Italian police said. Mr. Agca told them, "It is an action that fascinates me. I wanted to do something grandiose for the good of humanity."



President Reagan took West German Chancellor Helmut Schmidt and two security agents for a ride in a golf cart at the Ottawa economic conference. The summit officially opened Monday.

# Salvador Business Leaders Campaign to Change Junta

By Raymond Borner  
New York Times Service

SAN SALVADOR — A group of conservative Salvadoran business leaders, encouraged by what they say are clear signs of support from the Reagan administration, have intensified a long-running campaign to change the makeup of the government of President José Napoleón Duarte.

The business leaders say they want the right to name at least one additional member of the ruling junta and several Cabinet ministers. The civilian-military junta headed by Mr. Duarte, leader of the Christian Democrats, is made up of another Christian Democrat, an army colonel and a political independent.

The businessmen, who include corporate executives, hotel and resort owners and the president of El Salvador's Chamber of Commerce, said the clearest signal for their effort had come in a speech in Washington last week by the assistant secretary of state for inter-American affairs, Thomas O. Enders.

"The United States is longer giving unconditional support to Duarte," Juan Vicente Maldonado, a resort developer, said Saturday. Mr. Maldonado is a leader in the Productive Alliance, which he described as an umbrella group of executives, professionals, and middle- and large-scale entrepreneurs.

Mr. Duarte, in an interview earlier this month, said the biggest threat to his government came not from revolutionary forces on the left but from rightist businessmen who "want to take away all the economic reforms" for their own financial gain. He was sharply criticized by the Productive Alliance and several other business groups after the interview was reprinted recently in a local newspaper.

**Certain Elements**

On Saturday, Mr. Duarte emphasized that, in his earlier remarks, he was not referring to all conservative businessmen in El Salvador, but only to certain elements within the rightist sector.

Mr. Enders, in a speech last Thursday that State Department officials characterized as a clarification of the administration policy toward the conflict in El Salvador, emphasized the administration's view that "only a genuinely pluralistic approach can enable a profoundly divided society to live with itself without violent convulsions, gradually overcoming its differences."

Mr. Maldonado and other business leaders said they were convinced that U.S. support for Mr. Duarte would be conditioned on his adopting a more conservative economic policy and accepting a businessman on the junta. Since the overthrow of a military dictator in October, 1979, a succession of civilian-military juntas has taken control of the banks, nationalized exports of coffee, cotton and sugar and begun a land-distribution plan.

Mr. Maldonado said that his group wanted to play a positive role in developing a "free market economy" modeled after the principles espoused by the conservative U.S. economist Milton Friedman.

The president of the country's Chamber of Commerce, Conrado Lillope Andreu, said he and other businessmen had also received encouragement for their drive to join the government from recent discussions with U.S. Ambassador Deane R. Hinton.

"Under no circumstances has he [Hinton] rejected what we're trying to do," Mr. Maldonado said. "He has said it's logical, positive, that we'd like to see something of that nature."

Asked about the U.S. position on changes in the junta, Mr. Hinton described the U.S. participation in the negotiations as "not inactive," but he declined to give any details. "These are big negotiations. Delicate," he said. "All kinds of things are going on. It can't be negotiated in the press."

Mr. Duarte denied Saturday that there were any negotiations that might lead to a change in the junta.

A Cabinet minister who asked not to be identified said the government was talking with businessmen but not to the conservatives represented by Mr. Maldonado and Mr. Lopez. "If one of their members isn't on the junta, they're going to be angry as hell," he added.

A senior government official said that the conservative businessmen wanted to be part of the government only to be an "obstacle, to block what we're trying to do."

Last year, the government expropriated more than 250 of the country's largest farms and converted them to peasant-owned cooperatives. It also became owner of 51 percent of the stock of all banks.

**Fighting on Honduras Border**

SAN SALVADOR (UPI) — Two heavily armed Salvadoran Army battalions attacked leftist guerrillas Sunday in a pincer operation on both sides of the Honduran border, civilian and military sources said.

A member of an international relief team aiding refugees at La Virvad camp in Honduras said the shooting was so intense that relief workers would not leave their camp, about 2.5 miles inside Honduras, to search for the injured or count the dead. Military sources also confirmed the fighting in the region.

Mr. Agca's fate is in the hands of a jury of two women and four men, but both the prosecution and defense have predicted he will be sentenced to life imprisonment. His court-appointed lawyer, Pietro D'Ovidio, said he does not plan to plead insanity because there is no evidence to support such a plea. State prosecutor Nicolò Amato said he would call about 30 witnesses, most of whom were in the square during the shooting.

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# U.S. Assures Summit on Interest Rates

(Continued from Page 1)

have been scheduled for shipment Tuesday.

Mr. Haig raised the possibility Sunday of a further delay if the intense fighting between Israel and the Palestine Liberation Organization continues, saying the F-16 shipments, while not directly linked with the fighting, are "broadly interrelated in the context of events."

But Mr. Allen insisted "there is no linkage at all" between the cease-fire and the shipment of the F-16 jets.

In Jerusalem, senior aides to Mr. Begin said Monday night that Israel would not be surprised if release of the F-16s were linked by the Reagan administration to a cease-fire.

"We understand that Washington can't do anything but that. We understand their embarrassment, a Begin aide said. "But I don't think this is an embargo on Israel. If the jets are held for a while, Israel won't be so endangered."

"We know that the United States is not selling us airplanes

only for use for parades on independence day... They sell them because of the common strategic interest between our two countries. I believe the planes will be delivered."

Mr. Reagan, speaking of a Mideast cease-fire at the start of a breakfast meeting with Mrs. Thatcher, told reporters, "Our goal is that we can persuade [the Israelis to accept] a cease-fire and to de-escalate the violence."

Nevertheless, the mood in the Reagan camp has been quite gloomy at the start of the summit. The U.S. delegation is spending much time here on the possibility of a widened war in the Mideast at a time when it should be focusing on the economic summit issues.

Interviewed on television Monday, Treasury Secretary Regan said of interest rates: "I think we can give reasonable assurance that by the end of the year our rates will be lower than they are now." He said he did not want to be pinned down to an exact figure, but predicted that the rates would be "several points" lower.

The high rates have been attracting money from investors in Western Europe seeking a higher return, draining investment capital from those countries, and this in turn has led to higher interest rates in the industrial democracies, aggravating an economic slump.

Both the economy and the East-West trade issue were raised directly with Mr. Reagan in consecutive face-to-face sessions with Mr. Schmidt and Mr. Mitterrand Sunday afternoon. The two European leaders expressed concern about the impact of high interest rates, and Mr. Mitterrand said he hoped they would moderate by the end of the year.

The summit conferees dined together privately Sunday night. Attending the dinner were Mr. Reagan; Premier Zenko Suzuki of Japan; Mrs. Thatcher; Mr. Schmidt; Mr. Mitterrand; Premier Spadolini of Italy; Mr. Thorn, and the summit's host, Prime Minister Pierre Elliott Trudeau of Canada.

Despite his criticism of the embargo as a candidate, President Reagan did not end the sales ban until April, after several months of jockeying between Mr. Block, who wanted it lifted immediately, and Mr. Haig, who favored a harder line.

Echoes of that dispute showed up as Mr. Block's proposal to the Soviet Union was widely, Administration sources said there was a consensus at the State Department that the United States was not yet fully prepared to go to the negotiating table and wanted to sound out attitudes among principal U.S. allies at the Ottawa economic summit this week.

**Further Delays Feared**

Mr. Block, under pressure from farmers impatient to sell their burgeoning grain crop, has insisted for weeks that the United States should move quickly to meet with the Russians, who, facing increasing problems with their 1981 harvest, have made large grain purchases on the world market during the past month.

Farm state legislators and farmer groups have feared that further delays in meeting with the Soviet negotiators could leave the Americans in a position of offering grain that the Russians may not need in the near term and raise new doubts about U.S. reliability as a supply source.

However, the administration also has made a tough line toward the Soviet Union the centerpiece of its foreign policy, emphasizing a link between improved relations and access to U.S. markets with Soviet adherence to what Mr. Haig has called "an internationally accepted code of conduct."

Mr. Block has opposed such linkage with farm exports and, in an interview last week, reiterated his view that any U.S. attempt to connect Soviet behavior to the grain negotiations "would be a disastrous consideration."

# U.S. Trade Envoy Brock To Negotiate Grain Sale

By John M. Goshko and Ward Sinclair  
Washington Post Service

WASHINGTON — The White House, moving to end a snarl of bureaucratic infighting, has chosen trade representative William E. Brock to head U.S. negotiations on renewal of an agreement to sell millions of tons of grain to the Soviet Union.

A rivalry between Mr. Brock, Agriculture Secretary John R. Block and Secretary of State Alexander M. Haig Jr. over delegation leadership had delayed by several weeks Mr. Brock's push to begin talks with the Russians late this month.

The latest twist in a months-old policy disagreement occurred two weeks ago when Mr. Brock told reporters that a list of proposed meeting dates had been dispatched to the Russians. What he apparently did not know was that his message had not been sent. Administration sources said it was pigeonholed by the State Department, which wanted to control the talks.

But Mr. Brock, in a television interview Sunday, disclosed that the administration had settled on Mr. Brock as chief negotiator. He said he continues to hope that talks can begin this month at a neutral site suitable to both sides.

The current five-year agreement allowing the Soviet Union access to U.S. grain will expire Sept. 1. Its extension was complicated by former President Jimmy Carter's partial embargo on grain shipments in January, 1980, after the Soviet intervention in Afghanistan.

The next move is up to Moscow. Mr. Brock said Sunday that he believes that the Soviet Union wants to renegotiate its assured access to U.S. grain. U.S. and Soviet representatives met in London last month to discuss possible sales under the current agreement.

Both the economy and the East-West trade issue were raised directly with Mr. Reagan in consecutive face-to-face sessions with Mr. Schmidt and Mr. Mitterrand Sunday afternoon. The two European leaders expressed concern about the impact of high interest rates, and Mr. Mitterrand said he hoped they would moderate by the end of the year.

The summit conferees dined together privately Sunday night. Attending the dinner were Mr. Reagan; Premier Zenko Suzuki of Japan; Mrs. Thatcher; Mr. Schmidt; Mr. Mitterrand; Premier Spadolini of Italy; Mr. Thorn, and the summit's host, Prime Minister Pierre Elliott Trudeau of Canada.

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# Humor Magazine Seized in Turkey

ISTANBUL — Military authorities have ordered the confiscation of *Girgin*, a weekly Turkish humor magazine, reportedly because Turkey's national price, an official of the magazine said Monday.

The official, who asked not to be named, said the ban ordered Sunday apparently applied to distribution only in the Istanbul province. It was not known whether other provinces would also confiscate the magazine, whose name is a Turkish slang word for light humor.

The front-page cartoon of the 16-page magazine's latest issue criticized a Turkish singer who has appeared repeatedly on Turkish television, and in a red dress emblazoned with the star and crescent. The cartoon depicts a salesman with a bucket of Turkish flags with the star and crescent, insisting he be allowed to go on state-run television.

saying that the meeting that began Nov. 11 was at a dead halt. But he called a Soviet proposal on security and confidence building measures "Europe's ludicrous and absurd European and in a red dress emblazoned with the star and crescent on basis for negotiation."

The head of the Soviet delegation, Leonid Ilyichev, told newsmen there were "sharp disagreements" and said the West was guilty of violating the reciprocity and balance of the 1975 Helsinki agreements that the conference is reviewing.

**'Critical Point'**

Ambassador Lev Mevik of Norway said he viewed the new conflict as putting the conference "at a critical point, not the lowest point exactly, but a critical point." The new East-West confrontation swept aside optimism last week on both sides that the meeting could reach final agreement and end by July 31.

British delegate John Wilberforce said agreement was still technically possible, but he said Western delegates were now considering adjournment until autumn unless agreement was reached in the next two weeks.

Mr. Wilberforce described East European delegations as being "on a hook, because they want success here rather than failure, and because it would be a setback to their peace offensive. We are not going to let them off the hook."

The disagreement came over security surveillance measures. The Russians said they would accept verifiable surveillance of security in Europe to the Soviet Union Mountains in return for equal distance of sea and air space for non-European members of the security conference, meaning the United States and Canada.

Mr. Kampelman said this could mean surveillance across the Atlantic as far as Philadelphia. He added: "Depending on how you read the Soviet proposal, it could extend to Kansas."

# East-West Clash in Madrid Dims Hope for Agreement

MADRID — East and West split sharply over security proposals Monday at the 35-nation Conference on Security and Cooperation in Europe, and Norway's chief delegate described the situation as "a critical point."

The U.S. delegation chief, Max M. Kampelman, stopped short of saying the meeting that began Nov. 11 was at a dead halt. But he called a Soviet proposal on security and confidence building measures "Europe's ludicrous and absurd European and in a red dress emblazoned with the star and crescent on basis for negotiation."

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# Rescued Vietnamese Say 57 in Boat Died

MANILA — A U.S. Navy frigate has rescued 29 starving Vietnamese boat people who claimed that 57 fellow refugees died at sea. Officials said it was the highest reported death toll for a single boatload in two years of rescue operations in the South China Sea.

A Navy spokesman said the "very weak, dehydrated and highly emaciated" survivors were picked up Sunday about 300 miles (480 kilometers) east of Ho Chi Minh City. He said they had been at sea for six weeks.

# Police Fight Rioters in Ireland, Belfast; Doherty Near Death in Hunger Strike

BELFAST — Rioters battled police and stormed buildings Monday in the Irish Republic and Northern Ireland, where Irish nationalists said hunger striker Kieran Doherty was near death on the 60th day of his fast at the Maze prison.

Belfast police, firing rubber bullets, dispersed youths who had attacked a police station and nearby buildings. There were no reports of injury.

Republic rioters smashed windows and damaged buildings, shops and homes in Castleblaney and Monaghan Town. The protesters scattered when police in riot gear launched baton charges in the two towns.

In Dublin, security officials prepared a report for Premier

Garret FitzGerald on Saturday's rampage by 17,000 nationalist supporters at the British Embassy. About 120 policemen and 50 demonstrators were injured in the battles, which caused damages of an estimated 1 million Irish pounds (£670 million).

On Monday, police displayed scores of spikes, iron bars and pikes recovered after the storming of the embassy. Protesters said they planned another march next Saturday.

**Last Rites**

The renewed violence came as Mr. Doherty, 25, was said to be approaching death and Kevin Lynch, 24, was deteriorating rapidly in the 59th day of his fast inside Belfast's Maze prison.

The two men are among eight prisoners starving themselves in an attempt to win political recognition for Irish nationalist convictions.

Mr. Doherty and Mr. Lynch received the last rites of the Roman Catholic Church last week, supporters said. Members of Mr. Doherty's family were at his bedside Sunday when hopes of preventing his death through a negotiated settlement faded.

Mr. Doherty, a member of the Provisional Irish Republican Army, is serving a 22-year sentence for possession of explosives and guns. He was elected to the Irish Parliament in the June 11 general election.

A special room was set aside at the prison hospital so Mr. Doherty's family could stay with him — a move that previously had been the province of a striker.

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# WORLD NEWS BRIEFS

**Chinese Mobilized to Reinforce Flood Dikes**

PEKING — Thousands of Chinese stood guard along the swollen Yangtze River Monday, ready to reinforce dikes after the worst floods for more than a generation hit the Sichuan province.

Officials in the adjacent province of Hubei said nearly 200,000 people had been mobilized to stand guard on the most vulnerable section of the Yangtze, below China's biggest hydroelectric dam project at Gezhouba, which was reported to have survived the flood peak Sunday.

Shanghai's main newspaper, *Wen Hui Bao*, said the authorities had warned of a flood threat to China's largest city at the end of this month if the Yangtze floodwaters coincided with spring tides due at that time and a typhoon. Shanghai is not on the Yangtze, but lies up the Huangpu river a short distance from the estuary.

**Vietnam Rejects UN Conference on Cambodia**

BANGKOK — Vietnam rejected as illegal Monday the outcome of the UN-sponsored conference on Cambodia and said that any attempt to impose a settlement in Indochina would end in failure.

The Foreign Ministry in Hanoi said in a statement that the only way to establish peace and stability in Southeast Asia was by joint negotiations among the countries of the region on the basis of equality, mutual respect and without foreign intervention, the official news agency reported.

The conference of 93 countries ended in New York over the weekend and called for a cease-fire in Cambodia, the withdrawal of Vietnamese forces and UN-supervised elections. Vietnam and the Soviet Union boycotted the meeting.

**Japan Rejects Whaling Moratorium at Talks**

BRIGHTON, England — The United States and Britain called Monday for an indefinite worldwide moratorium on commercial whaling but Japan rejected the proposal and said it is under no legal or moral obligation to observe such a ban.

The two sides joined battle at the International Whaling Commission, which now has 30 member countries, began its annual weeklong conference.

The United States and Britain have sought for several years to push through the ban. But it has always foundered in the past on Japanese and Soviet opposition. Conservationists said there still is no more than a 50-50 chance it will be approved this time.

**2 British Parties Consider By-Election Strategy**

LONDON — Britain's Liberal Party is considering whether to give up its chance of winning a by-election to allow Social Democratic Party (SDP) founder Shirley Williams to enter the race.

The SDP, after a strong showing last week in a by-election at Warrington where Roy Jenkins won 42 percent of the vote, now wants Liberal candidate Bill Pitt to withdraw from the Croydon by-election in favor of Mrs. Williams, the former Labor education minister. The Liberal Party and the SDP have an agreement that a Liberal candidate would be entered in the Croydon race since the SDP was entered at Warrington, their first election alliance.

Mr. Pitt has said he wants to remain the candidate, although an opinion poll Monday predicted that Mrs. Williams would win the parliamentary seat while Mr. Pitt would lose. Local party leaders said they expect to make a decision by Friday.

**Taiwan Rules Professor Was Not Murdered**

TAIPEI — Chen Wen-cheng committed suicide or accidentally fell five floors to his death, but the politically active Pittsburgh professor was not murdered while visiting his homeland, investigators said Monday.

The ruling, issued by the Taipei district prosecutor's office, was rejected by his close friend Teng Wen-ching, who said Mr. Chen could not have killed himself. Mr. Teng, the last person Mr. Chen visited before he died on July 3, said that Mr. Chen "was not a suicide type; he was a man who had the courage to face the reality — even if he had to be put in jail."

Mr. Chen, 31, a mathematics professor at Carnegie-Mellon University, came to Taiwan with his wife and infant son on May 20. His body was found beside a library building at a university here 12 hours after he had been interrogated by Taiwan's security agency for alleged anti-nationalist government activities in the United States.

**Bomb Explosion Injures 5 at Zurich Airport**

ZURICH — Five persons were slightly injured in an explosion at an automatic-photo booth at Zurich's international airport Monday, police said. It was not clear whether the blast was accidental, a police spokesman said.

The blast destroyed the booth and damaged a public photocopying machine in a shopping mall connecting the airport lobby with the railway station below. The injured left after receiving medical treatment.

On Sunday, a bomb exploded in a rubbish bin at the Swiss parliament building in Bern, causing slight damage. The Swiss news agency said that a caller representing a previously unknown group called the "Ninth of June Organization" had claimed responsibility for the blast in Bern. June 9 was the date that Swiss police arrested an Armenian on charges of murdering a Turkish consulate employee in Geneva.

**Wife Shot Aide To Thorn, Police In Brussels Say**

BRUSSELS — An investigation into the death of Fernand Spaak has shown that the senior aide of European Commission President Gaston Thorn was shot by his estranged wife, who then committed suicide by electrocution, police said Monday.

A police spokesman said that Mr. Spaak, 57, was shot Saturday morning with a hunting rifle, in the bathroom of his Brussels home. He was the son of Paul-Henri Spaak, the late Belgian premier and foreign affairs minister.

Mrs. Spaak, who was separated from her husband, put the weapon back into its case and then electrocuted herself by putting a plugged-in iron into a bathtub of water while sitting in it, the spokesman said.

Mr. Spaak was to have left Saturday with Mr. Thorn to attend the Ottawa economic summit meeting. The bodies of Mr. Spaak and his wife were found Saturday afternoon by a member of the family.

"We have no reason to doubt that Fernand Spaak was shot by his wife... and that the latter then committed suicide," the police spokesman said.

**Iranian Candidate Shot In Tehran Street Attack**

NICOSIA — Habibollah Aslkarolahi Mossallam, one of the four candidates in Iran's presidential election, was shot and slightly wounded Monday in an assassination attempt in Tehran, Iran's official Pars news agency reported.

Mr. Mossallam "received a minor injury and is reported in good condition in a hospital," Pars said. One of his bodyguards also was wounded, the agency said.

One of the three alleged assailants was killed and another was wounded, Pars said. The two survivors were arrested. Neither was identified.

The attack occurred on Iran Street in the capital, the agency said. It gave no other details.

Mr. Mossallam is one of the four candidates approved by Iran's Council of Guardians to run in Friday's presidential election, called to replace fugitive President Abolhasan Bani-Sadr who was ousted last month after being declared incompetent by Iran's clergy-dominated parliament.

Premier Mohammad Ali Rajai, the leading presidential candidate sponsored by the ruling hard-line Islamic Republican Party, is widely regarded as the likely winner of the presidential race.

The other candidates, also IRP members, are Ali Akbar Farvareh.

**Soviet Dissident Goes on Trial**

MOSCOW — The trial of Felix Seretov, a member of an unofficial group that accused the Soviet Union of using psychiatric treatment to silence dissidents, opened Monday in Moscow, dissident sources said.

Mr. Seretov, 51, was arrested in January, and charged with anti-Soviet propaganda and agitation. He could be sentenced to a maximum seven years in a labor camp, followed by five years internal exile.

Mr. Seretov was the last original member of the Committee for the Study of Psychiatry for Political Ends to be arrested and sentenced for anti-Soviet crimes. Last week, Irina Grivina, a co-founder of the group, was sentenced to five years in exile.

**Spain Legalizes Divorce**

MADRID — Divorce became legal in Spain Monday after a ban of more than 40 years. The mutual-consent divorce law, approved by the Cortes (parliament) last month, will necessitate the setting up of family courts to deal with an estimated 300,000 divorce petitions.

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# Weinberger Strategy Plots 5-Year Rise in U.S. Military Buildup

By George C. Wilson

WASHINGTON — Defense Secretary Casper W. Weinberger's new marching orders to the armed services include a call for a military buildup far beyond the large one already planned.

Mr. Weinberger's consolidated budget instructions for the upcoming five fiscal years — envisions about 200,000 more soldiers, sailors and airmen; millions of dollars of special breaks for the military-industrial complex; a stepped-up research program; and the development of weapons needed to fight in space.

Army leaders are prepared to tell Congress that they do not see how they can recruit the soldiers needed under the five-year plan without at least drafting men to fill reserve units, which are currently 190,000 short.

**'Doubling or Tripling'**  
The Pentagon, the General Accounting Office and military executives believe that the military-industrial complex could not now deliver in time the weapons for the kind of long war Mr. Weinberger wants the services to prepare for.

Compared to the 8 percent of the U.S. gross national product that went into the Vietnam war and the 15 percent that the Korean war absorbed, Mr. Weinberger asks the services to see what it would take to gear up industry to absorb half the GNP in the event of war.

This year's GNP is about \$2.94 trillion, meaning that after the declaration of an emergency Mr. Weinberger would like to have an effort that could absorb a military budget of about \$1.5 trillion for just one year. This year's record peacetime budget is \$222 billion.

Short of a national emergency, Mr. Weinberger asked for an assessment of the problems that "lie in the way of doubling or tripling the military budget in a period of major shift in the world situation."

The GAO said the current industrial base is in such bad shape that it "may mean that the United States can only fight a short war. Huge gaps exist between when military stocks will be exhausted and when production will equal needs."

He wants an industrial base turning out tons of ammunition and thousands of weapons within

# Uncertainties Mark U.S. Tax Index Plan

## Past Efforts to Adjust for Inflation Brought Unexpected Results

By John M. Berry

WASHINGTON — The U.S. Senate has taken a step into the political and economic unknown by voting to index, or adjust for inflation, personal income taxes beginning in 1985. More than half the members of the House of Representatives are sponsoring similar bills.

Past efforts at indexing, mostly on the expenditure rather than the receipt side of federal ledgers, have hardly turned out as Congress thought they would

when it enthusiastically adopted them. Social Security, civilian and military retirement, supplemental security income and food stamps all have been indexed in the last decade or so.

No one foresaw any problems when Social Security was indexed in 1972. Liberals voted for it to be sure the real value of benefits would not be eroded by inflation. Conservatives voted for it partly in hopes that benefits would not continue to rise faster than inflation as they did regularly during the 1960s and early 1970s.

Today, Congress and the Reagan administration are struggling to find a way out of a Social Security dilemma in which indexed benefits have been rising much more swiftly than the wages on which the payroll tax supporting them is paid. One suggestion is to reduce the scope of indexing. Similar proposals are about to be adopted for other programs, including

civilian and military retirement, for budget reasons.

The Senate bill passed last Thursday would widen all tax brackets, increase the zero-bracket amount (formerly the standard deduction), and increase the present \$1,000 personal exemption in 1985 and succeeding years according to the percentage increase in the Consumer Price Index during the 12 months ending in September of the preceding year.

How well indexing personal income taxes would turn out is anybody's best, but one thing is certain: it would greatly reduce political flexibility in dealing with budget questions.

If outlays, whether for the military or for nondefense programs, were increased faster than the inflation rate, offsetting cuts would have to be made elsewhere unless U.S. tax receipts were rising because of economic growth. The alternatives would be either a larger budget deficit or an explicit tax increase.

Many of the backers of indexing personal taxes like the idea for just that reason. As Sen. Robert J. Dole, of Kansas, Republican chairman of the Senate Finance Committee, said last week during the indexing debate, "With an inflation bonus in tax revenues, Congress need not vote the tax increases appropriate to higher levels of spending. It is time to abandon that cushion and get on with the job of responsible and anti-inflationary fiscal management."

Rudy Penner, an economist with the American Enterprise Institute, added, "With index-

ing, the Congress will have to raise tax rates explicitly when they wish to command a higher proportion of national income, and it will no longer be possible to take credit for tax cuts that are not really tax cuts."

Critics respond that, over the years, Congress has effectively indexed the tax system without putting itself into a fiscal straitjacket. Even during the period from 1967 to 1979, when inflation was much higher than it has been previously and the upward creep of tax brackets thus more severe, periodic tax cuts kept average rates close to what they would have been with an indexed system, according to a Congressional Budget Office study.

**Downward Adjustment**  
The general tax cut now pending in Congress is an example, albeit a larger one than usual, of just such a downward adjustment in taxes that will offset rising burdens due to inflation. Congress also is taking the opportunity to change the tax law in other ways, as it usually has done in these bills. The chance to make such shifts would undoubtedly be reduced by indexing, and whether that is good or bad depends on whether one thinks those other changes have been good or bad.

Opponents also say that if rising inflation is a result of an overheated economy, bracket creep can help to restrain economic activity automatically and therefore slow inflation. Indexing would eliminate that so-called automatic stabilizer. On the other hand, today's inflation

is not the result of a boom, and a number of economists question whether this stabilizing function is important.

There is disagreement among indexing backers and opponents, too, over whether the change would make the U.S. economy more or less inflation-prone. Those opposing indexing argue it would be just one more accommodation to inflation.

**Chafee Sees Trouble**  
As Sen. John H. Chafee, Republican of Rhode Island, declared, "... all forms of indexing have led to trouble. If we ever are going to lick inflation in the nation, it is absolutely essential that everyone feel the pain, that the pain be spread around, so that the pressure is constantly on us... to defeat inflation."

Other senators said that, on the contrary, the cushion of rising tax receipts enabled Congress to escape hard, necessary choices in fighting inflation. They said the decision as to how and what to index is a key question now, and there seems to be wide agreement among economists that using the Consumer Price Index to make the adjustments, as the Senate voted to do, is not the best way to do it.

The Congressional Budget Office said that as an alternative, a price deflator for the gross national product, personal consumption expenditures or national income could be used. Between 1968 and 1979, those measures of inflation, which do not include import prices, rose annually by an average of 0.3 percent to 0.7 percent less than the CPI.

# Jordan of Urban League Challenges Reagan Policy

By Herbert H. Denton

WASHINGTON — Urban League President Vernon E. Jordan Jr. has challenged the Reagan administration to explain what will happen to poor people during the period after social programs are cut next fall and before the promised upswing in the economy occurs.

"Even the wildest optimist knows it will take years for the president's program to produce the prosperity he promises," Mr. Jordan said Sunday. "What do we do until then? How do poor people survive without the basic programs they need until then?"

It was Mr. Jordan's opening challenge in a debate he has attempted to engineer this week with key administration officials over the deep reductions in U.S. spending for social programs. Several administration officials are to speak to the anticipated 15,000 persons who began arriving in Washington during the weekend for the Urban League's annual conference.

His volleys of criticism went beyond the administration to take in a "passive" Congress and a "silent" business community.

But Mr. Jordan did not lay out details of any strategy that the Urban League would employ at this late stage in a budget fight that is all but over.

Budget cuts will certainly hurt the league, which with its affiliates in 116 cities received more than \$100 million in government funds last year for job training programs. Already, there have been layoffs at league headquarters in New York, and Mr. Jordan said that administration proposals have put in jeopardy about 80 percent of the federal funds his group receives.

## 6 Die in Tribal Feud At South Africa Mine

JOHANNESBURG — At least six black miners died and more than 100 were injured in weekend fights between Shangan and Khosa tribal workers at the Elsburg gold mine 60 miles west of here. The miners battled with knives, clubs, rocks and broken bottles. The turmoil was provoked by the killing of a Khosa miner.

# Shooting of Libyan in U.S., Tied to Former CIA Agent

By Philip Taubman

WASHINGTON — Investigators looking into the attempted assassination of a Libyan student in Colorado last year say they have found evidence that links the man accused of the attack to a former agent for the CIA. The former agent, Edwin P. Wilson, has been charged with illegally exporting arms to Libya and training terrorists.

On the basis of the evidence, federal investigators say they now believe Mr. Wilson, who lives in Libya as a fugitive, may be responsible for arranging the attack against the Libyan student, Faisal Zagallai, an outspoken critic of Col. Moammar Qadhafi, the leader of the militant Arab nation. The evidence is said to include entries in the personal telephone book of the suspect in the attack.

Investigators say they have also found evidence, including records of telephone calls, that they say ties the suspect, Eugene A. Tafoya, to a civilian employee at the Naval Weapons Center in China Lake, Calif. Mr. Tafoya, now being held in Fort Collins, Colo., is a 25-year veteran of the Marines and the U.S. Army. He won a Bronze Star in Vietnam.

The civilian, Douglas H. Haden, a computer scientist, said in a telephone interview Thursday that he had met Mr. Tafoya in 1978 while dating his half-sister. But Mr. Haden denied any involvement in or knowledge of the October, 1980, attack on Mr. Zagallai, a Libyan studying at Colorado State University.

**Civilians Investigated**  
The Naval Weapons Center conducts highly classified research in explosives and electronics warfare. Four other civilians once employed there have been under federal investigation for possible criminal activity and links to Libya. Two of them were indicted earlier this year on charges stemming from the theft of military equipment from the center.

Federal investigators and prosecutors say they believe these cases are part of a significant and growing national security problem involving the illegal transportation of sophisticated U.S. technology to such countries as Libya and the Soviet Union. They also are increasingly concerned that Mr. Wilson's work for Libya may have included widespread criminal activity inside the United States.

Libyan authorities took responsibility for the attack on Mr. Zagallai, who was shot twice in the head at close range but survived. U.S. officials believe the attempted assassination was part of a concerted effort by Col. Qadhafi to eliminate opponents of his regime.

Roger S. Young, a spokesman for the FBI, said Thursday the bureau was pursuing all leads involving Mr. Tafoya. However, senior officers at the weapons center said they had not heard of the connection to Mr. Haden until Wednesday. They said they immediately

requested the Naval Investigative Service to open an inquiry.

Mr. Haden, who said his relationship with Mr. Tafoya was purely social and had never involved discussions about Libya, said he had not been called by any federal investigators.

Mr. Young said that he could not comment on the specific question of whether the FBI was investigating Mr. Haden and his links to Mr. Tafoya.

Some U.S. prosecutors have complained that the Justice Department's criminal division has failed to organize an interagency group to pursue the numerous and geographically disparate leads involving Mr. Wilson, the attack in Colorado, the theft of military equipment from China Lake and other related cases.

**Coordination Limited**  
Within the last year, these cases, all of which have Libya as a common denominator, have developed around the nation, but coordination between law enforcement agencies has been, at best, for specific cases only, according to federal investigators.

For example, a U.S. grand jury in Washington, which last year indicted Mr. Wilson and another former CIA agent, Frank E. Terpil, on charges of illegally export-

ing arms to Libya, is the main instrument for further investigation of that case, even though many new investigative leads involve possible criminal activity outside its jurisdiction.

The case against Mr. Tafoya is being handled by state authorities in a Colorado court, and the case involving stolen weapons from China Lake is being prosecuted by the U.S. attorney in Fresno, Calif.

The evidence linking Mr. Wilson to Mr. Tafoya includes numerous references to Mr. Wilson, as well as the former CIA agent's associates and girlfriend, found in Mr. Tafoya's personal telephone book, according to federal law enforcement officials. The book contained Mr. Wilson's telephone number in Libya, as well as those of some of Mr. Wilson's associates there.

Officials said that there were also records of telephone calls that Mr. Tafoya had made to Mr. Wilson or someone at his residence and business paces.

# Cabinet Backs Alien Plan That Rejects Identity Card

By Charles R. Babcock

WASHINGTON — President Reagan's Cabinet has approved changes in a comprehensive immigration policy that some officials fear tilts toward the economic desires of employers in the Western states who hire illegal workers.

The Cabinet reached agreement on the final and most contentious components of the plan Thursday, Justice Department and White House officials said. White House staff proposed rejecting use of an identity card won acceptance, as did the expansion of an amnesty provision to cover up to 5 million current illegals. Mr. Reagan is expected to approve and announce the package after his return from Ottawa later this week.

The decision has been delayed because some White House officials, particularly the domestic policy advisor, Martin Anderson, finally got the Cabinet to modify the sanctions and amnesty recommendations of a Cabinet task force headed by Attorney General William French Smith, sources said.

Agricultural interests from the Western states that form strong Reagan political support have opposed sanctions against employers who hire illegals. Rejection of the task force's recommendation for an identity card is seen by several officials as a significant weakening of the sanctions provision, because it will make it more difficult to verify the legal status of a new hire.

**Western Political Push**  
The Westerners have pushed for a large Mexican guest worker program, and the increased numbers of illegals eligible for amnesty will be viewed with enthusiasm by Western politicians, one official said, because it is "simply a guest workers program by another name."

**Modified Amnesty**  
The amnesty process also was modified from the original task force recommendation, which had proposed a two-tier legalization process covering an estimated 2.7 million aliens. The newly agreed plan would cover an estimated 5 million illegals — any illegal alien living in the United States as of Jan. 1, 1980 — but also would impose new restrictions, officials said. The task force plan envisioned a five-year wait before illegals could become permanent residents and eventually citizens. The Cabinet tentatively approved a 10-year waiting period before allowing anyone to apply for permanent residence.

In addition, the new plan forbids amnesty-seekers from bringing other members of their family into the country, and it requires the alien to have a minimal knowledge of English before becoming a permanent resident. These provisions are likely to be fought by Hispanic groups.

Other elements of the policy had been decided earlier, including strict measures to prevent any new flood of Cubans and Haitians into Florida. There are plans to negotiate with Haiti to stem the flow from that country, to selectively intercept boats on the high seas and to detain newcomers indefinitely in what the administration recognizes could be called concentration camps.

## 26 Killed, 9 Injured In Storm in Taiwan

TAIPEI — A tropical storm lashed northern Taiwan with heavy rain and strong winds, killing 26 persons and injuring 9, the police reported Monday. Most of the dead were drowned by floodwaters or were buried by brick houses that fell during the rains Sunday. Seven persons were hurt when a train was derailed in northern Taiwan.

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## Congress Extraordinary

The extraordinary congress of the Polish Communist Party held over the last few days has gone about its affairs in such a business-like way that it is easy to forget the historic nature of the occasion. It is a landmark in the Soviet bloc that there was a real choice of candidates for delegates, a choice for Central Committee membership and a genuine competition for party leadership.

It is perhaps equally remarkable that the choices made have produced a Central Committee and Politburo with the balance of power very close to the center. Both bodies contain conservatives and reformers, so Stanislaw Kania, the politically adept pragmatist who has been returned as first secretary, should be able to steer a moderate course.

But political moderation is not a guarantee of success. While the Soviet Union has grudgingly acquiesced in the revolutionary events of the past year in Poland, it has by no means given its blessing. Moscow will continue to seek ways to undo what has been done and to limit what is still to come. There is no guarantee that a more radical party congress would not have produced some sort of Soviet intervention. And there is certainly no guarantee that a national transportation strike, for example, would not be treated by the Soviet Union as an intolerable threat to Warsaw Pact security, and lead to an invasion.

Mr. Kania directed a stern political warning at the Solidarity union, which launched the revolution at the Lenin Shipyards last August. He said the union was abusing its right to strike and over-reaching its mandate by calling for direct worker control over important enterprises such as the state airline, LOT. Solidarity has demanded the right to install its choice as managing director of the airline. The government has refused on the

ground that the airline is part of the national defense network. That dispute, at the intersection of politics, economics and security, is of precisely the kind that could galvanize the Russians into action.

The Soviet Union, though, is not the main threat facing the Polish leadership. The real challenge to Mr. Kania, besides keeping the political forces in balance, is the crippled Polish economy. Premier Wojciech Jaruzelski laid the details of the disaster before the congress. He said that prices for food, coal, natural gas and housing would have to be raised by 110 percent to bring supply into line with demand. He added that wage increases had averaged 25 percent in the last six months and the supply of domestic goods had decreased by 10 percent. He said production was continuing to fall, meat supplies would continue to dwindle, the foreign debt would increase by an additional \$3 billion this year to about \$30 billion and any new strikes would further disrupt the economy.

It is easy to forget that meat shortages sparked the Polish events. As a result there is more freedom in Poland today than there was a year ago. The change is truly astonishing. But there is also less food. At some point that is bound to catch up with Mr. Kania. Unless he is able to work effectively with Solidarity and neutralize his hard-line opponents, he will not be able to simultaneously please Poles whose hunger for bread at some point could outstrip their hunger for more liberty; the Soviet Union, which still must have a breaking point, and the international bankers who are underwriting Poland's debt. For the moment, though, he has shown himself worthy of respect by all three of these constituencies.

INTERNATIONAL HERALD TRIBUNE.

## Nuclear Supply Lines

The administration's policy statement on nuclear nonproliferation issued this past week amounts to a set of broad guidelines. Depending on how they are interpreted, their effect could range from a tough effort to curb further proliferation to tacit encouragement of trade in weapons-related technologies. We hope it is the former, but elements of the statement suggest it might go the other way.

Take the call to "re-establish" the United States as a "reliable partner" in nuclear trade. This country has always been a reliable nuclear supplier except when it has delayed or withheld supplies because of weapons-related developments, and it has not begun to make those exceptions — under Jimmy Carter or anyone else — with anything like the determination or consistency it should have brought to bear. In the insiders' jargon of this business, in fact, "reliable supplier" suggests not letting nonproliferation concerns interrupt nuclear trade. The policy statement also promises not to "inhibit" reprocessing and breeder reactor programs in Europe and Japan, thereby taking what is at best a neutral stance toward a destabilizing international trade in plutonium — the optimal weapons fuel.

In an unexpected response, the Senate approved a resolution drafted by Sen. John Glenn calling for sweeping changes in the international nuclear regime. Despite strong opposition from the State Department — if one is looking for consistency, State Department hostility to anti-proliferation efforts over the years is where one will find it — the final Senate vote was 89 to 0. The resolution calls for an "urgent" effort by the nuclear suppliers to tighten the rules of nuclear trade, including a "temporary worldwide moratori-

um" on the transfer of certain dangerous equipment and technology to sensitive areas including the Middle East and South Asia. Learning from Iraq, it calls for limiting the size of research reactors and eliminating the use of weapons-usable highly enriched uranium fuel in them.

It proposes specific steps to make international safeguards worthy of the name, including adoption by all suppliers of the U.S. requirement for safeguards on all nuclear activities in a recipient country, thereby making all facilities subject to international inspection whether or not the owner admits their presence to the International Atomic Energy Agency. In Iraq, this would have meant that inspectors would have had a claim to access to the reprocessing "hot cells." In Pakistan, there would have been a strong claim to open up the secret enrichment plant. Finally, the resolution calls on the suppliers to agree in advance on specific sanctions for any violation of safeguards.

All the major suppliers except Switzerland and the Soviet Union are present at this week's Ottawa summit. It is, of course, too late for the administration to present initiatives specifically based on the Senate's unequivocal call for strong action, and the other supplier countries are not exactly enthusiastic about discomfiting their nuclear trading relationships for mere reasons of potential nuclear weapons spread. But it is not too late for the president to respond by telling the summit partners that he gives this effort a high priority and expects a similar response from them. Agreement at Ottawa on an early meeting of the nuclear suppliers would be a worthwhile outcome.

THE WASHINGTON POST.

## Policy on El Salvador

The Reagan administration has wisely chastened the tone and modified the substance of its approach to El Salvador. It has always been true that "only a genuinely pluralistic approach" can end the terrible violence, but it was not always clear that American policy would support that approach.

It remains far from clear that such an approach can in fact evolve; the moderates on both sides of El Salvador's civil war do not control the forces that do most of the fighting. But this welcome amendment of administration doctrine at least makes it possible for the United States to collaborate with other democratic forces to promote a political settlement.

In its early days, the Reagan administration insisted on seeing Moscow and Havana as the main sources of El Salvador's troubles. Now Thomas Enders, assistant secretary of state for hemisphere affairs, regains some perspective when he says: "For just as the conflict was Salvadoran in its origins, so its ultimate resolution must be Salvadoran." And by calling on "all parties" to renounce

violence, Mr. Enders concedes that repression sponsored by officers in the American-backed junta is part of the problem.

What is still missing is evidence that the United States will use its influence to leash the Salvadoran security forces. The massacre of peasants continues. The land reform remains subject to the veto of rightist generals and their "death squads" — bankrolled by wealthy elites. Talk of elections requires a recognition that not once in half a century have the Salvadoran armed forces honored the results of a free vote.

Just possibly, democrats can still be weaned away from the guerrilla side. To win them over, the integrity of next year's voting might have to be guaranteed by outside monitors, as in the Dominican Republic three years ago. But there can be no fair political contest until the United States demands discipline of the government forces that it supports. If it means what it now says, the administration will not tolerate official suppression and barbarity.

THE NEW YORK TIMES.

## In the International Edition

### Seventy-Five Years Ago

July 21, 1906

NEW YORK — Theatrical managers are getting into a state of mind over a famine of chorus girls. There has never been, it is said, such a scarcity in New York of the right talent for musical comedies. The reason concerns the general prosperity of the country, offering good wages in other lines, and a change in "chorus girl styles." It was only a few years ago almost any girl with a pretty face and good figure could get a place in a chorus. The public now demand that young women shall sing as well as look pretty, and this eliminates 75 percent of the old-timers. Directors of musical comedies are being forced to open branch offices in all large cities to get recruits for Broadway attractions.

### Fifty Years Ago

July 21, 1931

LONDON — At the first sitting of the London conference in the House of Commons tonight, the British delegates challenged Germany's other creditors to a showdown. "We are not here to enforce, to defeat, or to humiliate," Premier Ramsay MacDonald declared, addressing himself as pointedly as possible under the circumstances to the French delegation. "We are here to consider our problems objectively, to remember how closely we depend on each other." Apparently the British Labor government has decided there are advantages in open diplomacy, for within a half hour after the conference ended, the full text of the British premier's speech was available for public inspection.



## How to Relate to South Africa

By Franklin A. Thomas

The writer is president of the Ford Foundation and chairman of the Study Commission on U.S. Policy Toward Southern Africa, whose report has recently been published by The University of California Press.

WASHINGTON — In recent years, Americans have looked at South Africa with growing concern about mounting racial tensions and violence, sources of minerals once considered reliable, and the potential for increased Soviet influence in the region. At the same time, many white South Africans have come to believe that the Reagan administration will be more sympathetic toward their government because of South Africa's economic and strategic position and its pro-Western, anti-Communist orientation. This gives the U.S. government an unusual opportunity in shaping policy toward South Africa.

The development of a consistent policy toward South Africa has been hampered in the past by the assumption that pursuit of one U.S. interest necessarily conflicts with the pursuit of others. The result has been an unstable tugging and hauling by interested constituencies, each ignoring or disputing the importance of the others' concerns.

"South Africa: Time Running Out" — the report of the Study Commission on U.S. Policy Toward Southern Africa — reached a different conclusion: All of these interests are important, and must and can be protected by a comprehensive policy.

U.S. interests in South Africa include minimizing Soviet influence in the area and maintaining a free use of the Cape sea route. One percent of U.S. trade and foreign direct investment is with South Africa, and it supplies the West with a number of key minerals. But other African nations provide 40 percent of America's foreign oil, and their diplomatic support is important in many contexts.

Sustained racial violence in South Africa could have a corrosive effect on race relations in the United States, to say nothing of the misery it would cause in South Africa. For this reason and because furthering political freedom

and civil liberties in South Africa is worthy of America's highest efforts, it is in the U.S. interest to promote movement, with a minimum of violence, toward a genuine sharing of political power among all the racial groups.

In South Africa, the commission found that whatever the government does to reinforce the status quo, internal black forces will eventually alter it. The choice in South Africa is not between "slow peaceful change" and "quick violent change," but between a slow, uneven and sporadically violent evolutionary process, and an equally slow but much more violent descent into civil war.

### Simultaneously

We also found that major U.S. economic sanctions against South Africa are unlikely to be effective: There is no necessary connection between economic hardship and desired political change, and other key South African trading partners would not join in sanctions in the current conditions. Maximizing U.S. influence requires both contact and involvement, and actions and words that make the fundamental U.S. opposition to apartheid unmistakably clear.

Based on these interests and findings, the commission recommended a framework for policy consisting of five related objectives to be pursued simultaneously:

- To make clear the fundamental and continuing opposition of the American government and people to the system of apartheid.
- To promote genuine political power-sharing in South Africa with a minimum of violence through the systematic use of inducements and pressures.
- To support organizations in-

side South Africa working for change, assist the development of black leadership, and promote black welfare.

• To assist the economic development of other states in southern Africa.

• To reduce the impact of stoppages of imports of key minerals from South Africa through stockpiling and contingency planning.

The U.S. government should broaden its arms embargo to cover foreign subsidiaries of U.S. firms, and formalize its nuclear embargo. U.S. corporations in South Africa should not expand their operations. They should commit a generous proportion of their corporate resources to improving the lives of black South Africans, and subscribe to and implement the Sullivan Principles for U.S. Firms Operating in South Africa. These U.S. corporations not now in South Africa should stay out. These measures should be voluntary under current conditions, but the government should endorse them as important parts of overall U.S. policy.

America has limited influence in South Africa. But the extent of its involvement, the strength of black resistance, continued repression and new ferment behind the facade of African unity create an opportunity and obligation to act before U.S. interests do in fact become irreconcilable.

A policy based on the framework described here would recognize and serve the full range of U.S. interests in South Africa and, by permitting the constituency for each of these interests to align itself with the others, command broad and lasting support from the American people.

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## Safety Catches That Hold Soviet Triggers

By Flora Lewis

WARSAW — If there is one certainty in the Soviet position on Poland, it is that the Poles continue to present a series of agonizing dilemmas for the men in the Kremlin.

There have been enough contradictory signals from Moscow in the last 10 months to show that a zigzag debate must be raging there. Preparations for an invasion were completed up to, but short of, the order to march. Poles were assured Moscow expected them to handle their own problems. Poles were denounced as revisionists and oow have been told once more to put their own house in order.

The widespread suspicion among Poles and Western diplomats is that Leonid Brezhnev, mindful of the risks to show that he has been consistently maneuvering to find a centrist position.

This does not mean that the Kremlin has been sitting passively watching Poland "de-Sovietize," as one adviser to the Solidarity union described the process. There have been openly political interventions by Moscow and probably some clandestinely provocative ones as well. But as the Polish Communist Party opened its anxiously awaited congress last week, Moscow appeared to be relying on the conflict of forces within the party, along with the possibility of military moves, to impose restraint.

That implies acceptance of profound changes in the very nature of Communist rule in Poland.

But then, there are formidable deterrents to the use of tanks that did not exist in Hungary in 1956 or in Czechoslovakia in 1968. They consist of specifically Polish and general East-West circumstances over before present simultaneously. On one side, there are military considerations. With Afghanistan still a drain, a battle in Poland would engage the Red Army on two fronts. There isn't much doubt that Poles, including at least parts of the Polish Army, would fight a Soviet military takeover.

With their intense awareness of history, Poles have been talking lately about the Targowica incident. They mean it as a warning.

Targowica was a small town in eastern Poland (part of the Soviet Union after the post-World War II border shift) where a group of Polish noblemen met in 1792. Like that of the Communist hard-liners today, their harsh rule was being challenged. Unable to deal with the opposition, they asked Catherine of Russia to intervene. That led to partition, extinguishing Polish sovereignty for over a century — but not before the Targowica conspirators were killed by their enraged compatriots.

Fighting in Poland, astride Soviet lines of communication to the East German front, would certainly strain the Warsaw Pact. No one could foresee how long the fighting would last or the extent of the consequences.

There would certainly be severe ideological effects. Soviet soldiers

would be opposed in Poland, not by untrained Hungarian youths or Czech intellectuals, but by a new social force of workers and peasants. Even if Moscow could keep its own citizens from comprehending that it was fighting the very masses in whose name it says it rules, the Kremlin's claim to legitimacy would be followed by the rest of the world.

This could have internal implications in the Soviet Union, especially if the fighting dragged on. Nationalism has been mounting in the Ukraine, where there are still many ethnic Poles, and there have been numerous reports of ferment in the three Baltic states as well.

It is illuminating that the Polish party invited only representatives of other Soviet-aligned countries to the current congress, not of all other Communist parties as is usual. There have already been drastic splits among Western Communists on the Polish issue. Presumably, it was considered preferable to avoid displaying these contrasts — which would have given a truer measure of the importance of Poland's struggle to world Communism.

Western warnings come on top

## Some Bumps Await The Reagan Wagon

By David S. Broder

WASHINGTON — So many things are going so well for the Republicans these days that it seems almost churlish to suggest that there are a few clouds on the horizon. But there are — and they may as well be acknowledged.

First, though, the good news for Republicans. Ronald Reagan has reached his six-month anniversary in the presidency in remarkably fine political fettle. That is attributable to two interlocking accomplishments.

He and his senior aides have done an extraordinary job of focusing public and congressional attention on their chosen agenda of budget and tax cuts. They have dominated the debate on those issues. Second, they have benefited from the remarkable display of cohesiveness and acumen by the congressional Republicans under Senate Majority Leader Howard Baker and House Minority Leader Bob Michel.

The teamwork of the White House and the Republican senators and representatives has been awesome. The public is plainly impressed; each succeeding set of polls measures further progress by the Republican Party toward majority status in the country and a highly competitive position in the 1982 congressional races.

And yet... There are at least four reasons to believe that the next few months may see some bumpy passages for the Reagan bandwagon and test the Republican Party in ways it has not been tested so far.

### Agenda

First, the tightly controlled agenda is about to expand, both domestically and internationally. The Ottawa economic talks, focusing on the overseas effects of Reagan's unique mixture of high interest rates, budget stringency and tax cuts, is putting on display the tensions within the alliance over his fundamental economic policy.

When the president comes home, he will face a series of decisions on major defense weapons systems and the export of American arms to the Middle East, on all of which his own party in Congress is divided.

Social Security looks like a political Achilles' heel for Reagan and the Republicans; in all the optimistic polling, the one jarring element is the suspicion by large majorities that those now in power may jeopardize or cut back the social safety net. The administration's mishandling of the Social Security issue is worrisome — very worrisome — to Reagan loyalists on Capitol Hill.

Second, there is a growing

awareness in Washington that the Reagan White House is thinly staffed and perhaps stretched too far for the demands of the expanding agenda. The triumvirate of Ed Meese, Jim Baker and Mike Deaver gets very high marks, as do budget chief Dave Stockman, congressional liaison Max Friedlander, and public relations counselor Dave Gergen.

But there are conspicuous weaknesses in the non-budget domestic issues area and in all of foreign policy — weaknesses that insiders acknowledge, and whose consequences the public will soon enough come to see. The Max Hugel fiasco at the CIA was a warning sign that other national security disasters are waiting to happen. In that area, Reagan is in a race against time to shore up a sagging policy-making structure.

### Lightly

And that raises the third nagging doubt. Despite the record of achievement in the first six months, there is skepticism in Washington about how deeply and perceptively Reagan is engaged in the work of his own government. Anecdotes abound on his tendency to skate lightly over the surface of many policy discussions. It was stunning to learn that for five days after his senior staff had been briefed on the problem, Reagan was shielded from knowledge that a major scandal was about to break on CIA spy-master Hugel.

Soon the president will depart on a long vacation, and the questions about who is really running the store are almost certain to rise in volume.

Finally, for all their publicized disarray, the Democrats are showing signs of recalling a lesson from their more successful past. They are saying with some conviction on both the tax bill and Social Security issues that they are the party that looks out for the wage-earners, the widows and the orphans, and that the Republicans are servants of the affluent.

It is not a subtle or elevating argument, but it has worked in the past. And, as the Mississippi special election has shown, even in the full flower of Reagan's popularity, it offers the potential for unifying a working-class constituency across racial and ideological lines and for producing a Democratic victory now and then.

None of this suggests that Reagan and his political revolution are about to run off the tracks. My own guess is that the president will come through this shakeout in reasonably good shape. But I would be surprised if it is quite the cakewalk on the Reagan procession these first six months have been.

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"We Dare Not Send the Troops — That Devil Walsza Will Organize Them."

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NO WAY UP — Heavy summer snowfalls 1,200 meters (about 3,900 feet) high in the Alps blocked roads, broke trees and choked passes, as here, at the Furka Pass near Brig, Switzerland, a motorist seeks to turn his car around. Snows also blocked passes in the French Alps.

### Youth Gangs, Police, Victims Play Roles In Real-Life Drama on Hollywood Strip

By Pamela G. Hollie  
New York Times Service  
HOLLYWOOD, Calif. — A special task force of more than 50 law officers is trying to keep order on the historic Hollywood Strip, which has become a war zone in the last six months.  
The Chinese Theater on the stretch of Hollywood Boulevard where hundreds of movie stars have made important in wax cement is now a territorial marker for warring youth gangs.  
"There are four or five shootings per weekend," said Robert Thorsen of the West bureau of the county's year-old gang crime unit, called Crash, for Community Resources Against Street Hoodlums. "We are trying to keep a lid on it."  
While most major cities are experiencing a surge in violent youth crimes, Los Angeles has recently identified its major problem as youth gangs representing a variety of racial and ethnic backgrounds. Gang-related crimes in the city rose 70 percent in the first five months of this year, as against the corresponding period a year ago. In turn, the figures for 1980 were 70 percent above those of the year before.  
Recently, actor Richard Pryor met with a group of gang members to offer his help and \$200,000 to aid in bringing about a cease-fire. "I don't know how in really say this," he told the gang members, "but you are despised in the community. You are feared and you are despised and people are tired of you killing and stabbing people in the face."  
There was no indication what affect Mr. Pryor's efforts have had on the problem.  
Los Angeles has had a gang problem for generations. "We have second-, third- and fourth-generation gang members," said Rose Matsui Ochi, executive assistant to the mayor and director of the Criminal Justice Planning Office. In a report released in January, her office concluded that residents of Los Angeles "are threatened by gang violence to a greater degree than ever before."  
"It's become a very serious problem," said James A. Basene, deputy district attorney in charge of the county's gang crime unit.

### Fruit Flies Under Control, Agriculture Chief Asserts

By Ward Sinclair  
Washington Post Service  
WASHINGTON — Tearing the situation now under control, U.S. Secretary of Agriculture John R. Block said he is optimistic that continued aerial spraying will end California's infestation of Mediterranean fruit flies.  
The agriculture secretary, denying on national television Sunday that politics figured into his criticism, also criticized the California Gov. Edmund G. Brown Jr. for his "early refusal to resort to aerial spraying." "I think if he'd been a prominent Republican he might have seen the light earlier and decided to spray," Mr. Block said.  
He also sharply criticized the five Southern states that are seeking to halt the movement of unfumigated California produce into their region. Although the fly is considered a threat to about 200 types of fruits and vegetables, it has not been found in any of California's commercial growing areas — appearing only around residential properties.  
Mr. Block said the aerial spraying of malathion, a potent insecticide, is on schedule and California this week will broaden the area in which traps are set to monitor the flies' movement. The U.S. government will pay 50 percent of the cost of spraying, but California must pay for expensive ground spraying and tree stripping operations. This would leave the state with most of the estimated \$53-million bill.  
Traps in a three-county infested area around San Jose are not turning up more fertile flies, according to Mr. Block, suggesting that their spread may have been stemmed. The first round of spraying of a 150-square-mile infestation zone in the Santa Clara Valley was to have been completed Saturday, but morning fog forced the helicopters to abandon their mission, permitting the final 30 square miles to be sprayed Monday.  
Mr. Block charged that Alabama, Florida, Mississippi, South Carolina and Texas, in their plan to quarantine the California produce that competes with their own, are taking advantage of something that is in the U.S. government's jurisdiction. Some California growers, meanwhile, worked during the weekend to erect fumigation facilities that would bring their produce into compliance with the Southern ultimatum.  
Landslide Hits East Java  
United Press International  
JAKARTA — A landslide caused by heavy rains struck East Java's Malang region, killing 13 persons and seriously injuring 30, police said Monday.

### Gypsy Band Makes 5-Day Stand Troupe Threatened With 2d Dutch Expulsion Order

Reuters  
THE HAGUE — A band of gypsies has pitched camp opposite one of the most luxurious hotels in The Hague, much to the consternation of Dutch authorities.  
A string of gypsy cars and caravans trying to leave the Netherlands last week was turned back by West German and Belgian border guards after the Dutch Ministry of Justice ordered the 140-member gypsy band out of the country.  
The Hague's burgomaster took pity on them and said they could pitch camp for five days on Het Malieveld, a field in the center of the city, while their plight was considered.  
But Monday that period was more than half over and a Justice Ministry spokesman said that the gypsies had two days left to get out. What will happen Wednesday is unclear, given the West German and Belgian refusal to accept them.  
Meanwhile, the gypsy encampment is a colorful sight in the Netherlands' hustling seat of government.  
King Travels in Style  
The gypsy king is common to all European countries, and both the Council of Europe and the European Economic Community have both so far failed to tackle it.  
The Dutch government tried to solve the problem of gypsy residence four years ago when it asked all gypsies to claim residence permits. But the plan was not entirely successful and there are two other bands of unregistered gypsies in the Netherlands with about 1,500 members. A third of the gypsies in the country are of Dutch nationality.  
The gypsy king of the Netherlands, Koko Petalo, has led his people's skirmishes with the government and his blue Rolls-Royce has become a familiar sight at the Justice Ministry.

## Light on Limes, or Why They Don't Usually Grow in Europe

THE MORNING MAIL, often found in surprises, recently delivered an interesting report to my desk:  
"I may possess the only fruit-bearing lime tree in captivity in Italy, perhaps in Europe," writes George Armstrong, Rome correspondent for The Guardian. "It is a dwarf lime, said to be of Indian origin, with rather tasty thorns, smallish fruit (by North American standards) and when ripe the skin tends to be more yellowish than limes. However, on my terrace in Rome, with no protection after the first winter, it has consistently produced 15-20 limes a year."

The tree was an Xmas present from friends arriving here from California. . . Why did the lime forsake Europe? Can it be brought back?  
This letter does not quite come under the head of surprises; it should be classed rather as a hardy perennial: About once a year I receive a letter from Italy complaining that there are no limes there. This unvarying regularity was puzzling until it occurred to me to check the dates of the missives: They had all been mailed at the beginning of the spring. I deduce that in the spring a gourmet's fancy lightly turns to thoughts of limes.

Among them was a 1977 letter: "I had a number of calls plus a letter from a friend of mine in Pakistan who told me about limes in India." She had also been directed to limes in a local market. "They said that they came from Brazil." Apparently this find of limes at a handy market was a phenomenon unlikely to be repeated, for my correspondent added: "I'm told the barman of the Grand Hotel is the only person who stocks them in Rome. Airline hostesses are said to supply him."  
All my correspondents who bewailed the absence of limes in Italy were British or American. Continental Europeans seem uninter-

ested in them. Italy is not the only European country where it is difficult to find them unless one is fortunate enough to be acquainted with airline hostesses. Limes even were bought in Paris, but usually only in shops specializing in exotic fruits. They can hardly be found in Germany.  
"Why did the lime forsake Europe?" Mr. Armstrong asks. The answer, I think, is simple: The lime did not forsake Europe, for it had never reached Europe.  
The word "lime" comes from the Arabic *limah*. It seems indeed to have been the Arabs who, about A.D. 1,000, or perhaps a little earlier, first brought the Southeast Asian fruit to the Near East, where it remains important, and then westward along the African coast of the Mediterranean as far as Morocco, where it is also still important. I have found no evidence that it was known on the European coast of the Mediterranean, even as an import, before the 17th century — which is also when the word "lime" entered the English language. Why not? Probably because the climate of temperate Europe was not propitious in this tropical, and only marginally subtropical, Asiatic fruit.

Limes are the tenderest of all citrus fruits. "Temperatures of 28 to 30 degrees," says Normal Taylor's Practical Encyclopedia of Gardening, "are sufficient to cause injury to the West Indian lime, temperatures slightly lower injure the Persian lime." The thermometer can drop much lower than that in Rome. Armstrong's lime tree has lasted nine years; I should say that is lucky.  
Protected Position  
Perhaps his tree is in a protected position; perhaps it is close enough to a building to benefit from its heat. Since he reports that it came from California and is a dwarf, we may hazard other guesses about its immunity. The lime is the only citrus fruit that is often grown from seed, but in California it is usually budded on rootstock of the rough lemon, *Citrus limonia*, or the bitter orange, *C. aurantium*. (The lime itself is *C. aurantiifolia*, *C. acida* or *C. limetta*.)  
Armstrong's tree was probably grown on bitter orange rootstock, which has a dwarfing effect on the resultant plant. As the bitter orange is also considerably more hardy than the lime, it may have contributed some of its toughness to his tree. It is even possible that it is not a pure lime, but a limquat, a hybrid of the West Indian lime and the kumquat, which the Practical Encyclopedia dismisses snidely as "not of much practical value," but the object of this cross is precisely to increase resistance to cold.  
Can the lime be "brought back" to Europe? Armstrong asks. Let us eliminate the word "back," and admit that if Armstrong can grow limes in Rome, even precariously, it would seem reasonable to believe that they could be grown in Calabria and Sicily, where every other type of citrus fruit is cultivated, including some known nowhere else. The lime, however, is a crotchety fruit that demands other conditions in addition to warm temperatures. For instance, it dislikes wind; it bruises easily, becoming scabby and thus unsalable.  
More important, probably, is its perversity, as a tropical fruit, in

## George Wein: Promoter Pianissimo

By Jeffrey Robinson  
International Herald Tribune  
NICE — That first year, 1974, the French didn't quite know what to make of it. They didn't understand what was happening. Outdoors. No reserved seats. They could wander freely wherever they wanted in the park called Cimiez, overlooking Nice. They could sit in the Roman amphitheater or picnic on the grass. One stage played a tribute to Satchmo while another was all big-band sounds. They could wait in line for Southern fried chicken behind Count Basie. The French had never seen anything like it.  
"We got 20,000 admissions over a seven-night span in 1974," says George Wein, who created the Grand Parade of Jazz in Nice and who founded the Newport Jazz Festival 27 years ago. "This year we're getting as many as 10,000 people per night, and we're running all 11 nights. We have three stages that go seven hours a night each. Do a little math and you'll see how complicated a festival like this one can be to produce."  
Wein produces almost two dozen festivals a year throughout the world. This year's Nice festival ends today.  
"My first one was in 1954. That was Newport, the forerunner of them all. Since then, I don't think there's anyone in jazz I haven't worked with." He added that, from a promoter's point of view, jazz artists are fairly easy to work with. "They're nothing at all like rock groups. They're not like Berry. Berry wants a Mercedes to ride in wherever he plays, but he's been known to play without the Mercedes. And sure, some performers want a few



The Boston piano player.

things to make life on the road more comfortable, like fruit in their dressing rooms. But there's never any of the nonsense that rock groups are famous for. I don't work with them [rock stars] because I won't work with those kind of egos."  
He believes a promoter's job is easily defined. "The first thing is to promote the concert. Then the stage must be right, and the sound system must be right, and there must be adequate dressing rooms and good transportation. I'm not the business of catering hot meals at strange hours or pampering extra-fringe egos. My job basically comes down to making sure that the artist has an audience to play for and he gets paid for his work."  
In the past few years, Wein said, he has seen a renaissance in jazz. "The rock generation of the '60s has grown up and is looking for new musical experiences. I've been noticing that the average age of the audience at my festivals is now the 25-to-35-year-old group. Ten years ago those people were buying rock albums. They even did their schoolwork with rock playing in the background. Now they're seeking new things. They want to increase the scope of their musical awareness. These are the people who have just discovered ballet and opera and classical music. And these are the people who have been filling concert halls for jazz."  
Concern for Future  
But he is also concerned for the future state of the art form. "The great jazz artists of today are the obvious ones. They are the ones who have been great over the years. The public doesn't make an artist great, his peers do. Look at people like Lionel Hampton and Dizzy Gillespie. They're natural leaders. Other musicians learn from them, copy their style and what I don't see are any of the younger musicians today individually setting the pattern that other musicians feel they must follow in order to be involved in the jazz world."  
There are no young Armstrongs or Ellingtons or Parkers or Coltranes, he said. "Yes, there are a lot of extremely good players out there, more now than there ever were before. But every era needs its leaders. Every era and every art form needs people who direct the way. They're wonderful exposure for young musicians, but more than that, they're also a challenge. It's a chance for them to play different styles and to work with different musicians. It's a chance for them to be exposed to the true artistry of other musicians."  
When he's not producing jazz festivals, Wein collects 1928 wines ("The beauty of them is in sharing a good bottle with someone who can appreciate it") and dabbles in the production of opera concerts and Broadway musicals. A year ago, he and New York entertainer Bobby Short teamed up to produce "Black Broadway," for which George Wein, former Boston piano player, wrote a song.  
It was the only new song in the show, and now comes the confession that when he's not producing festivals he also dabbles in songwriting: "My big hits include 'One for T' and 'Pam Am Blues.' His 'Big hits' don't get played very much, even at his own festivals.

## Personality

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## Dance

A Double 'Attraction'  
LONDON — When the Manchester-based Northern Ballet Theatre appeared as part of the Cheltenham International Music Festival, the repertoire included one of the most popular of modern ballets, a ballet by Michael Pink, "Attraction," was commissioned for the festival and first performed there on the same evening that its music, a string quartet by Michael Berkeley, was also its concert premiere at the Ellesmere festival, 100 miles away in Shropshire.  
The latter was apparently the elder by half an hour or so, but its balletic debut made a notably successful debut at Cheltenham's Everyman Theatre. Berkeley, son of the composer Sir Lennox Berkeley, said in a radio interview that the music's character was to some extent shaped by the knowledge that it would also be danced, and its single-movement structure affords a variety of incident and expressive color as it grows from a note-cluster spaced out in a rhapsodic violin solo at the start and returns in this at the end.  
Pink, a member of London Festival Ballet, for which he has also been to choreograph, has both extended and restricted himself in the new ballet. The restriction is to four dancers, who are seen in a sequence of changing personal relationships that paralleled the music's mood and incident. The "attraction" of the title is in more

## Competitions

Americans Top Math Contest  
WASHINGTON — The United States team topped the 22d International Mathematical Olympiad, beating the West German team by two points and Britain's by 13. It was the United States' second victory in the prestigious math competition for high school students.  
Four members of the eight-person U.S. team had perfect scores of 42 points in the exam, which tests problem-solving ability in complicated algebra and geometry. The exam was conducted this year at Georgetown University. Results are announced officially only for individual members of teams, but team standings are compiled unofficially by adding all the scores.  
The Soviet Union has won the olympiad eight times since it began participating in 1974 — but this year Russia entered only six students instead of the allowable eight. In all, 192 students from 27 countries participated.  
Blue book bags bearing olympiad badges were awarded to third-place finishers, second-place finishers received digital watches — and first-place winners were given electronic calculators or "memory modules" for calculators.

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For those who appreciate the difference. In Los Angeles a grand-luxe hotel that provides superior service and facilities for the discriminating international traveler. Beverly Wilshire Hotel. Wilshire Boulevard at Rodco Drive, Beverly Hills, CA 90212. Tel: 698-220. Telephone: 213-275-4282. Represented by HRI The Leading Hotels of the World® Member of The Preferred Hotels Association

International Restaurant Guide. FRANCE. PARIS - RIGHT BANK. GOLDENBERG 71, rue de Valenciennes, 278-2709. Daily. Lunch. Snacks. Pastries. Sweets. Salads. Soups. Steaks. Burgers. etc. Open 11 a.m. Air-conditioned. L'EUROPEEN Facing Gare de Lyon, 343-9970. Daily from 11 a.m. to 2 a.m. Its suggestion of Fr. 38. Oysters, clams, shellfish, and in Souverain. MOISSON DU CIEL 1 rue Chateaubriand (near Gare de Lyon) 272-2755. Closed Monday. Vietnamese specialties. All credit cards accepted. LE NOAILLES HOTEL ST. JAMES ET ALBANY 61, r. de Valenciennes, 292-5711. Terrace, lunch, dinner, light supper. LE PETIT RICHEL 25 R. de Valenciennes, 770-68-68. Closed Sun. Lunch, dinner, 7 p.m. to 12.15 a.m. 1800-style bistro. Traditional cuisine. Approx. Fr. 110. TSE YANG 25, Rue de Valenciennes, 720-68-07, 7022. Chic gourmet menu. 25 Fr. Chinese cooking. Private reception rooms. PARIS - LEFT BANK. ASSIETTE AU BEURRE 11 Rue St. Germain/Pl. St. Germain-des-Prs. 240-67-61. Menu Fr. 35.50 & Fr. 48 + serv. Daily 11 a.m. to midnight. LA PETITE CHAISE 36 Rue de Valenciennes, 222-13-35. Menu Fr. 52. Refined cuisine. Historic setting. Open daily until 11 p.m. Open in August. PARIS REGION. LA MAISON 14, rue de Longchamp, NEUILLY, 624-07-74. Daily. Closed Sat. noon. Menu Fr. 31.50 + à la carte. Bistrot parisien 1900. Credit cards. LAPEROUSE 31, Quai des Grands-Augustins, 326-68-04, 326-9014. Restaurant worldwide. Private dining rooms. Closed Sun. CHATEAU DE LA CORNICHE \*\*\* 10, rue de Valenciennes, 778-0921-21. Panoramic view, terraces, swimming pool, tennis court. Fine cuisine. Near the Musée d'Art de Giverny. GREECE. ATHENS/PSYCHICO. DIOSCURI 16, D. Vasilissou, Neo Psychiko (4 km. north of Hiltol). Greek food, charcoal grill. Res. Taverna. Daily 11.15 p.m. - 2 a.m. Closed Sun. Tel. 671-9997. SWITZERLAND. PULLY - LAUSANNE. AU VIEUX CAVEAU Elegant dining in charming old Swiss atmosphere; bar & v.d. dancing. 11, Rue de la Gare, Pully, 021-28-27-49.

Important Exhibition of Rare Jewels at the Palm Beach Casino, Cannes from July 21st to August 1st. 55 Brompton Road, Knightsbridge, London S.W.3. Telephone: 01-884 8571 Telex: 21296



BUSINESS NEWS BRIEFS

EEC Sets Anti-Dumping Duty on U.S. Phenol

BRUSSELS — The European Economic Community announced Monday a provisional anti-dumping duty ranging from 8.8 to 19.9 percent on imports of the chemical phenol from the United States.

Snamprogetti Gets North Sea Contract

ROME — Snamprogetti, the Italian state engineering concern, announced Monday it has received a contract from Norway's state oil company Statoil to begin the first stages of planning for a natural gas pipeline network in the North Sea.

Australia Eases Foreign Investment Controls

CANBERRA — Controls on investment abroad by Australian individuals and companies were eased Monday to help reduce pressure on domestic interest rates and money supply.

Arco Increases Value of Bid for Ladish

MIDDLETOWN, Ohio — Arco said Monday that it has agreed to raise the value of its proposed acquisition of Ladish to \$286 million from \$221 million.

Boeing Gets \$97.8-Million AWAC Contract

WASHINGTON — Boeing said Monday that it was awarded a \$97.8-million contract by the Air Force to improve the U.S. E-3A Airborne Warning and Control Systems aircraft.

Murdoch Drops Bid for Control of Collins

LONDON — Publisher Rupert Murdoch has given up his £25-million (\$46.8-million) bid to take over William Collins & Sons, a book publishing concern.

Flagship Approves Royal Trustco Merger

MIAMI — Flagship Banks said its executive committee approved an agreement in principle for Flagship to be acquired by Royal Trustco of Canada.

Engine Makers Rev Up Their Bids to Power New Passenger Jet

By Eric Pace New York Times Service NEW YORK — Will the sleek A-320, the bluntnosed MD-100, the porpoise-snouted 7-7 all use the new PW2037? Will they also employ the reworked CFM56-2000? And the reworked RJ500? Or will any of them come to market at all?

one point in the last round of major competition for powering a jetliner — the 178-passenger, two-engine Boeing 757, scheduled to go into airline service in January, 1983.

They buy. By year-end, Wall Streeters predict, each of the three will submit detailed proposals for the engines they want to offer.

W. Germany to Cut Federal Spending

By John Tagliabue New York Times Service BONN — West Germany plans to cut public spending sharply in 1982 in an effort to reduce federal borrowing.



Hans Matthöfer

Colt, Penn Central Plan Merger

NEW YORK — Colt Industries would merge with a subsidiary of Penn Central under a proposal discussed by the companies, according to a joint announcement Monday.

McDonnell Douglas has entered into a preliminary agreement with Fokker, the Dutch aerospace company, to form a joint venture, which may design and produce its own bluntnosed 150-seater, known as the MDP-100.

Prices on Wall Street in Broad Decline

NEW YORK — Sparked by fears that interest rates will remain high, prices on the New York Stock Exchange closed sharply lower Monday and the Dow Jones industrial average had its largest drop since Jan. '80.

at the outset in the wake of the Federal Reserve's report late Friday that the nation's money supply surged \$6.9 billion.

All financial markets were closed Monday in Belgium for a local holiday.

U.S. Carmakers, Union Spar on Concessions

DETROIT — The elaborate minutiae that has been going on between the two largest U.S. automobile manufacturers and the United Auto Workers union regarding concessions by labor apparently is continuing, despite assertions by the union that it will not budge.

higher than those of their Japanese competitors. Both have said they need some form of concession from the union if they are to become competitive with imported cars.

VW Delaying a Decision On Venture With Nissan

BONN — A decision by Volkswagenwerk on whether to go ahead with a joint project with Nissan Motor to make a VW car in Japan has been delayed by the illness of VW Executive Chairman Toni Schmücker, a VW spokesman said Monday.

outsourcing our work," he added. "Those are our jobs and we've got to be addressing this problem more seriously in 1982 than ever before."

Textile Treaty Talks Adjourned Until Fall

GENEVA — Having failed to make any progress on how to run future textile trade, consuming and developing exporting countries Monday adjourned until Sept. 21 talks on extending their trading treaty.

CURRENCY RATES table with columns for City, Currency, and Rate. Includes cities like Amsterdam, London, New York, Zurich, etc.

Thomas Cook. Europe's No. 1 issuer of Travellers Cheques

Thomas Cook Travellers Cheques have grown by nearly 400% since 1975, an increase which has doubled our market share. Here are some of the reasons why.

Comparison table of Thomas Cook vs Citicorp, Bank of America, Visa, and American Express. Rows include Longest Experience, Worldwide Acceptance, etc.

Thomas Cook No. 1 for Experience. Thomas Cook pioneered travel money over 100 years ago, long before any of our competitors.

ARGENTINA advertisement for INVERAGRO S.A. listing rural properties and contact information.

BANQUE NATIONALE DE PARIS advertisement for floating rate deposits.

Thomas Cook advertisement for Europe's No. 1 issuer of Travellers Cheques.

NYSE Nationwide Trading Closing Prices July 20

Table of NYSE Nationwide Trading Closing Prices July 20, including various stock categories like 12 Month Stock, 3 Month Stock, and 1 Month Stock.

U.S. COMMODITY PRICES

Table of U.S. Commodity Prices, including Chicago Futures, International Monetary Market, and New York Futures.

European Gold Markets

Table of European Gold Markets, listing prices for London, Zurich, and other locations.

Toronto Stocks

Table of Toronto Stocks, listing various Canadian equities and their closing prices.

Market Summary

Table of Market Summary, including NYSE Most Actives and Dow Jones Averages.

European Options Exchange

Table of European Options Exchange, listing various options contracts and their prices.

Floating Rate Notes

Table of Floating Rate Notes, listing various financial instruments and their rates.

Montreal Stocks

Table of Montreal Stocks, listing various Canadian equities from Montreal.

Market Summary

Table of Market Summary, including NYSE Most Actives and Dow Jones Averages.

European Stock Markets

Table of European Stock Markets, listing closing prices for Amsterdam, London, Frankfurt, and Zurich.

Cash Prices

Table of Cash Prices, listing various commodities and their current market values.

Gold Options

Table of Gold Options, listing various gold-related financial instruments.

Bank of France Cuts

PARIS — The Bank of France Monday cut its money market intervention rate to 17% percent from 18% percent when it bought about 20 billion francs of first-cut paper, money market dealers said.

Canadian Indexes

Table of Canadian Indexes, listing various Canadian market indices.

Standard & Poors

Table of Standard & Poors, listing various stock indices and their values.

Frankfurt

Table of Frankfurt, listing various German market data.

Monday's New Highs and Lows

Table of Monday's New Highs and Lows, listing various market records.

RE CASH DIVIDEND

Further is announced that as from July 23, 1981 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, dividend of 31 of the Certificate Schlumberger Ltd., each rep. 5 sha. of common stock of U.S.I., par value, will be payable with Dfls. 4.00 net per Certificate rep. 5 sha. and with Dfls. 81.00 net per Certificate rep. 100 sha. (10% per record-date 15-6-1981; U.S.S. 30 psh.). This dividend is not subject to tax-withholding at source.

Non Banks

Table of Non Banks, listing various financial institutions and their data.

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Selected Over-the-Counter

Table of Selected Over-the-Counter, listing various OTC market data.

London Metals Market

Table of London Metals Market, listing various metal prices.

Commodity Indexes

Table of Commodity Indexes, listing various commodity price indices.

Eurocurrency Interest Rates

Table of Eurocurrency Interest Rates, listing various international interest rates.

AMEX Index

Table of AMEX Index, listing various American market data.

Selected Over-the-Counter

Table of Selected Over-the-Counter, listing various OTC market data.

London Commodities

Table of London Commodities, listing various commodity prices.

Paris Commodities

Table of Paris Commodities, listing various commodity prices.

London Commodities

Table of London Commodities, listing various commodity prices.

Advertisement for CORUM watches, featuring an image of a watch and text describing the brand and its quality.

Large advertisement for BANCO DI NAPOLI, featuring a 'Balance Sheet '80' and detailed financial information.



AMEX Nationwide Trading Closing Prices July 20

Tables include the nationwide prices up to the closing on Wall Street.

Large table of AMEX stock prices with columns for stock name, price, and volume. Includes various company names like AMV, ABB, and others.

Companies Rev Up Bids for New Jet Engine

(Continued from Page 7) With so much doubt, the jet engine companies have acted cautiously. Pratt & Whitney executives, in particular, say that the company has not decided to enter the competition...

COMPANY REPORTS

Table of company reports with columns for company name, revenue, profit, and share price. Includes sections for United States, Northwest Industries, American Cyanamid, etc.

Advertisement for Instituto Nacional de Industria (INI) featuring a list of member banks and a loan facility of US\$250,000,000. Includes logos for various banks like Arab Banking Corporation and Banco Exterior de España.

FOR READERS WHOSE LIVES ARE BIGGER THAN NATIONAL BOUNDARIES. International Herald Tribune. We've got it for you.

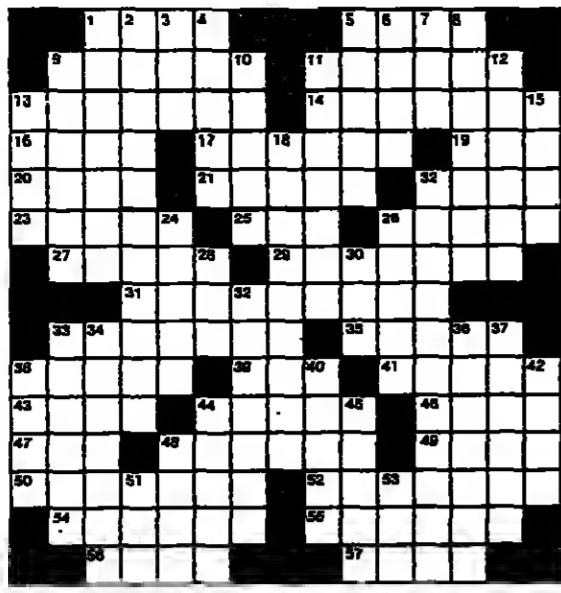
ADVERTISEMENT MITSUBISHI ENGINEERING & SHIPBUILDING CO. LTD. (CDB)'s. The undersigned announces that as from July 20, 1981 at Kan-Asakabe N.Y. Spuistraat 172, Amsterdam...

Advertisement for Turnberry Isle Yacht and Racquet Club. Features an image of a golfer and text: 'Golf Course, Tennis Courts, Health Spa, Marina, Elegant Club Apartments from \$200,000 to \$2,000,000.'

Advertisement for Exclusive Interest in Silver Mining with 100% Capital Protection through Bank Guarantee. Includes details about direct participation in operating silver mines.

CROSSWORD

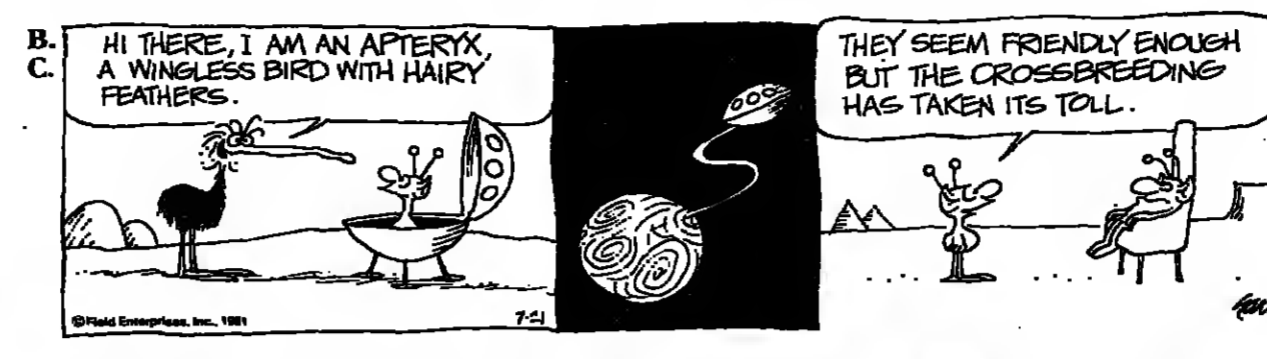
By Eugene T. Maleska



- ACROSS
1 Lighter or barge
5 Swatbe
9 Accumulates
11 Musical
12 Sheridan's "School" subject
14 Feels remorse
16 Mountain lake
17 Saddlelike carnivores
19 Threefold:
23 Contradict
24 Printers' units
26 Sigh, bearing or taste
27 Relaxes
29 Certain seed
31 Rees was one; also Durocher
33 More precapituous
35 London streetcars
38 He commits grave crimes
39 French possessive
41 Body of soldiers
43 Prevaricator
44 Prospect
46 Lady from Lisbon
47 Electees
48 Modern name for Persia
50 —and between—
52 "Grace," well-known bymn
54 Former Spanish coins
55 Least valid, as an excuse
56 Colored, as cloth
57 Leftover dish
DOWN
1 Excite suddenly
2 Competent
3 Fox
4 Endures
5 Marine mollusk
8 Shipment to paper mill
7 Tossilate
8 Feign
9 Tool for cleaning fish
10 Shade of gray
11 Wrinkles
12 Emphasize
13 Dagger thrust
15 Term of address to a sovereign
18 Deliah, e.g.
22 Impepls
24 Drank to the meaning "noble"
26 Bowling or drilling
28 Drench
30 Lawyer: Abbr.
32 Withstands
33 Menhaden
34 Drank to the health of
36 Architectural style
37 Voiced
38 More facile than sincere
40 Purlion
42 Sharp pain
44 Irked
45 Egyptian dancing girl
48 Anagram for evil
51 Word with "high"
53 Doctor's org.

WEATHER

Table with columns for city, high, low, and weather conditions. Includes cities like ALABAMA, ALABAMA, ALABAMA, etc.



JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Includes a grid of letters and a cartoon of a man with a car.

DENNIS THE MENACE cartoon showing a character with a gun and a speech bubble: 'ALL OF US WANT A BROTHER'.

BOOKS

THE PLAYBOY INTERVIEW

Edited by G. Barry Golson. 721 pp. Paper, \$9.95. Wideview Books, 747 Third Ave., New York 10017.

Reviewed by John Leonard

IMAGINE Dolly Parton and Vladimir Nabokov. Or Bertrand Russell and Helen Gurley Brown. Or Malcolm X and Anita Bryant. Or Yoko Ono and Jimmy Hoffa. And so on. Backward reels the mind. If there is anything profound to say on the nature of celebrityhood as it is toted in this selection from 16 years of Playboy interviews, I am not the one to say it. I gave up being profound after acne and Hermann Hesse.

There are writers, like Tennessee Williams and Joseph Heller. There are politicians, like Jimmy Carter, Daniel Patrick Moynihan, Jerry Brown and Fidel Castro. There are entertainers, like Marlon Brando, John Wayne, Miles Davis and Mel Brooks. There is one assassin, James Earl Ray, and one Nazi, George Lincoln Rockwell, and one war criminal, Albert Speer. Walter Cronkite and Madalyn Murray show up at the prom. Timothy Leary makes a fool of himself. Martin Luther King Jr. and Albert Schweitzer are so dignified that my ears fell off and my feet went to sleep. Muhammad Ali is interviewed twice, like Mel Brooks. Why? Christine Green is the only celebrity unmentioned on the cover of the book?

Principle of Selection
What is G. Barry Golson, executive editor of Playboy, trying to tell us? Nothing much, I suspect. His principle of selection seems to have been that he likes these interviews, more than he likes dozens of others. I think this is a terrific principle of selection; it is the way we recommend books to our remaining friends. He is oddly and unnecessarily defensive, letting us know that, say, Walter Cronkite really liked his Playboy interview. The interviews speak for themselves, just like the centerfold. What's more, I believe the interviews in a way that I've never believed the centerfold.

Golson provides the background for each interview. Some of it is fascinating. Malcolm X and Fidel Castro, for instance, had to be denunciated editorially. Timothy Leary needed tougher "sharper" questions the second time around. This, too, is odd. It certainly didn't happen to Albert Speer. But Playboy, even today, is in the lazy habit of disavowing the very words it prints, as if you can have your patty-cake and then bite it in the neck. Odd as well is the casual confession that Playboy "improves" its interviews by substantial editing, while respectfully declining to allow those who have been interviewed to "improve" their answers. Tough drafts.

But enough. The interviews, particularly those by Alex Haley and Robert Scher, are superb. The "interviews" are superb. The "interviews" are superb. The "interviews" are superb.

John Leonard is on the staff of The New York Times.

BRIDGE

By Alan Truscott

FROM the angle of the player and the publicist, organized bridge in North America suffers from a major weakness that few perceive: There are virtually no representative opportunities. A handful of players can earn the right to play in world championships, and when they arrive do so it is often the first occasion on which they have not been playing simply for themselves.

There used to be an annual inter-city match prior to the Summer Nationals, but that has disappeared from the scene. The Grand National Team Championship has a geographical flavor in the later stages, but instead of representing cities or states the players represent one of the 25 artificial districts into which the American Contract Bridge League is administratively divided.

European players are vastly better off in this respect. An English enthusiast, for example, can play representative bridge in five different ways. He can play for his county in a variety of head-to-head or multiple team events that are fiercely contested. He can play for Britain in the European Championships, or, if he is young enough, in the European Junior Championships. He can play for England in the annual Common Market Championships, or in the Camrose series against Wales, Scotland or Northern Ireland.

BRIDGE hand diagram showing North, West, East, and South cards and a score table.

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Letter From Alaska

To Catch an Inkwell

By Hugh A. Mulligan
The Associated Press
HALIBUT COVE, Alaska —
Alaskan artist Diana Tillion, whose work is warm, exciting and different, has an unusual art supply problem.

with octopus ink, which is even darker and has a richer range of tone, she was certain that some early monochrome watercolorists and later Japanese artists had also dipped a brush into this eight-armed inkwell that swims backwards, and chomps raw lobsters, shell and all.

Berlin's Christiane F., Film Child of Heroin

By Michael Zwerin
International Herald Tribune
PARIS — Sex, drugs and violence will do it every time. Since its first screening in April, the film "Christiane F.," about a 13-year-old Berlin junkie who supports her habit by prostitution, has drawn 3 million customers in West Germany.

Stoned kids cavort on the roof of a glass-walled tower next to the revolving Mercedes star that dominates the city like a cross on a cathedral. The large "H" on the door of the men's room that serves as a shooting gallery inside the high-fidelity, stobe-lighted discotheque no longer stands for "Herren," Christiane and her friends double up with withdrawal pains between sleek, shiny skyscrapers.

was used mainly by American blacks trying to escape the misery of the ghetto. It did not get much press attention until, along with their music, jazz musicians brought what they called "junk" across the racial barrier. The Vietnam War accelerated the process: Now it was called "slag" or "smack." Much of the German junkie vocabulary is taken from black slang — fix, shoot, cold turkey, clean.



Natja Brunckhorst, film's Christiane F.

what the reactions were. The facial muscles sort of go to sleep, the corners of the mouth turn down into a proud expression. The eyelids become very heavy and it's a real effort to keep them up. You move in slow motion. They played that with great pleasure, they laughed a lot.

PEOPLE: Martha Graham Given \$25,000 Dance Prize

The American Dance Festival has honored modern dance pioneer Martha Graham with a \$25,000 award for lifetime achievement. Former U.S. First Lady Betty Ford, who studied under and later danced for Graham in the 1930s, presented the Samuel H. Scripps American Dance Festival Award to Graham at Duke University in Durham, N.C.



Ulrich Edel: The Zoo gallery.

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